

Herald Tribune

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UPDATE: WEATHER FORECAST - PARIS:
Today's temp. 77-81 (23-28). Tomorrow over-
cast. Temp. 75-80 (25-28). LONDON:
Today's temp. 75-80 (25-28). Tomorrow over-
cast. Temp. 75-80 (25-28). CHICAGO:
Today's temp. 75-80 (25-28). Tomorrow over-
cast. Temp. 75-80 (25-28). NEW YORK:
Today's temp. 75-80 (25-28). Tomorrow over-
cast. Temp. 75-80 (25-28).
ADDITIONAL WEATHER - PAGE 2

Austria	..... 8.5	Lebanon	..... 10.0
Belgium	..... 14.0	Luxembourg	..... 14.0
Denmark	..... 25.0	Norway	..... 1.0
France	..... 1.0	Portugal	..... 8.0
Germany	..... 1.0	Spain	..... 1.0
Greece	..... 1.0	Sweden	..... 1.0
Ireland	..... 1.0	Switzerland	..... 1.0
Italy	..... 1.0	Turkey	..... 1.0
Japan	..... 1.0	U.S. Military (est.)	..... 1.0
South Korea	..... 1.0	Yugoslavia	..... 1.0

28,165

PARIS, FRIDAY, AUGUST 3, 1973

Established 1887

Fuel Is Leaking; Rescue Mission Set for Skylab

HOUSTON, Texas, Aug. 2 (UPI).—Skylab officials today ordered rescue ship prepared at Cape Kennedy because of rocket-control fears aboard the second crew's Apollo ferry ship. But they said the Skylab-2 flight would go as planned for 59 days in earth orbit unless there were further problems aboard the spacecraft.

The possibility of an emergency splashdown in the Pacific Ocean near Hawaii tomorrow or Saturday was ruled out by space officials. Christopher C. Kraft, Johnson Space Center director, announced the decision in a radio conference with the crew of Navy Capt. Alan L. Bean, Dr. Owen K. Garriott and Marine Maj. Jack R. Lousma orbiting in the big station 270 miles above the earth.

Grivas Lists Terms to Free Cyprus Aide

NICOSIA, Cyprus, Aug. 2 (AP).—Gen. George Grivas, the leader of the Greek-Cypriot EOKA underground, today announced his terms for the release of kidnapped Cyprus Minister of Justice Nikos Vassiliades.

These include the following demands: that Cyprus President Archbishop Makarios choose between the church and politics; staging of a presidential election; the release and amnesty of political detainees and prisoners; and the reinstatement of fired pro-EOKA policemen and civil servants.

Grivas said that, if the demands are rejected, "we are determined to continue, irrespective of difficulties, and the responsibility for the consequences will be borne by you."

The typewritten leaflet bore the signature "George Grivas-Grivas." It was addressed to "The President of the Cyprus Republic and the Cyprus Government."

Grivas has been waging campaign since December to overthrow Archbishop Makarios and proclaim EOKA the union Cyprus with Greece.

The leaflet was the first time a general has broken his silence since he returned secretly to the island nearly two years ago to form EOKA and launch his anti-government campaign. He had been in the 1950s in a campaign against British rule.

The leaflet started by admitting that the minister, Mr. Vassiliades, was kidnapped by "us."

Mr. Vassiliades was seized from his estate home by two armed and masked men Friday night.

There was no immediate reaction from the Cyprus government. The Grivas terms, but two days later, Archbishop Makarios said at a press conference he would never go in to blackmail.

At the same time, Archbishop Makarios announced his determination to escalate government measures to crush "the monster terrorism."

Ground controllers worked on the original rocket failure but were unable to trace the reason for the leaking propellant. Flight Director Charles Lewis said that they were checking some samples of the propellant for possible contamination that could affect the metal or seals on the rockets.

NASA officials announced that they would hold a private conversation with the astronauts within several hours.

Letter to Stockholders, Workers Calif. Oil Firm Asks Support of Arab Efforts, Aspirations

LOS ANGELES, Aug. 2.—The Standard Oil Co. of California asked its stockholders and employees to support "the aspirations of the Arab people" and their efforts toward peace in the Middle East.

The United States should support the Arab position because "the future welfare of the entire world," Standard's chairman, Otto N. Miller, said in a special letter.

The letter, dated July 26, is being mailed to Standard's 40,000 employees and 360,000 stockholders.

It was the first time that a major American oil company has taken such a strong and public stand on the Arab side of the highly sensitive Middle East issue.

Executives of the international oil companies, which have long been traditionally have preferred to work behind the scenes urging U.S. support for the Arab governments.



LIGHTER MOMENT—Canadian Prime Minister Pierre Elliott Trudeau playing with his son, Justin, as he waited at front door of his Ottawa residence to receive Queen Elizabeth and Prince Philip on eve of the Commonwealth meeting. Story Page 4.

Senate Balks at Sept. 12 Cutoff End to U.S. Beef-Price Curb Voted

WASHINGTON, Aug. 2.—The Senate today voted 84 to 5 to end the freeze on beef prices immediately, rather than Sept. 12, as is now scheduled by the administration.

The vote occurred on an amendment by Sen. John Tower, R., Texas, to an unrelated bill already passed by the House. The Senate then passed the bill and sent it back to the House.

It is uncertain whether the House will accept the bill in its present form and act on it before the start of the congressional recess tomorrow night.

The bill also contains an amendment passed yesterday which orders President Nixon to put a mandatory oil allocation program in effect by Aug. 15.

Sen. Tower said the freeze should be ended to avoid a critical shortage of beef.

Butz Meets Group Yesterday, Agriculture Secretary Earl Butz expressed sympathy for the plight of the meat industry but gave no indication that the administration intended to lift the freeze earlier than Sept. 12.

Today, deputy White House Press Secretary Gerald L. Warren said the administration is continuing to review information on meat prices but there is "no present intention to lift the freeze on beef" before the expiration date.

Mr. Butz met with about 50 meat-industry representatives in Washington amid news reports of shutdowns and anticipated closings based on increased doubts about the continuing availability of meat.

Acknowledging that the beef industry has "very serious" problems, Mr. Butz said, "If I had my druthers, right now, all things considered, I would give serious consideration to ending it [the freeze] sometime before Sept. 12."

He added, however, that rescinding the freeze "is not a decision that the secretary of agriculture makes."

Steen, chairman of the Council of Economic Advisors, said yesterday the Sept. 12 cutoff date would hold.

In New York City, where most of the wholesale beef dealers were closed yesterday because of shortages, the federal government launched an investigation into whether the scarcity was real or "artificially created."

U.S. attorney Robert Morse announced that a grand jury will look into possible kickbacks, overcharges, bribes and other irregularities in the distribution of beef.

Meat packers around the country predicted layoffs and further shutdowns next week and some retail stores warned that unless supplies are replenished, their meat cases will be empty.

Armour and Co. said that due to the ceiling prices on beef it had ordered a 60-percent reduction in its beef production, had cut back canned meat output, reduced soap operations and laid off 2,500 workers.

A division of Swift & Co. announced in Chicago that it will cease slaughtering operations at three more plants on Monday, when the company's total production will be cut to about one-third the normal volume.

Helms Says He Kept CIA Out of Watergate

He, Ex-Aide Tell Panel Of Meetings

WASHINGTON, Aug. 2 (AP).—Richard Helms, the former director of the Central Intelligence Agency, disclosed today that one of the men arrested in the Watergate break-in was being paid a \$100 monthly retainer at the time.

But in the only emotional moment of an otherwise amiable session with the Senate Watergate committee, he pounded the table and said: "The agency had no involvement in the break-in, no involvement whatever."

Mr. Helms, now ambassador to Iran, said he resisted White House pressure to get the CIA involved in the Watergate cover-up, saying:

"I want to lean heavily on the fact that I was trying to keep the agency clean and as long as I kept it clean I was doing my job."

Relaxed, laughing often, but chain-smoking, Mr. Helms said that his preoccupation in the months following the June 17, 1972, break-in of Democratic party headquarters "was to keep the agency at a distance from all these problems."

He said he did not tell President Nixon of the pressure being put on him because, "since we stood firm, it seemed to me to be adequate under the circumstances."

Six of the seven men convicted of conspiracy, wiretapping and burglary in the Watergate break-in had, former ties to the CIA, the nation's spying organization in other countries. Mr. Helms said one of the men, Eugenio R. Martinez, had been on a retainer.

Mr. Helms said he was "to report on individuals who came in from Cuba as to whether they would be worth interrogating or interviewing and he had been on that retainer of about \$100 a month on the understanding he would report in from time to time."

When I found out that he was still on the retainer, I was not connected with the agency at the time of this break-in, he was out off."

Q—When was he taken off retainer by the CIA?

A—When it was ascertained that he was involved in the break-in, he was taken off right then. I imagine within 24 hours or 48 hours or 72 hours after the break-in.

Mr. Helms said in July, 1971, he was informed that a long-time former CIA employee, E. Howard Hunt Jr., had been hired by the White House as a consultant but didn't know the circumstances.

He said he learned from Gen. Robert E. Casperman Jr., then deputy CIA director, that Gen. Casperman had ordered that Hunt be given a tape recorder and camera for a "one-time interview" and that he had been properly authenticated by the White House and that he was working at their behest.

Later, he said he was told Hunt asked to have a secretary (Continued on Page 2, Col. 7)



STRONG LANGUAGE—Richard C. Helms, the former director of CIA, testifying before Senate Watergate committee.

Says Allies Request Taps Bonn Admits Phone Tapping, Denies It Was by Americans

By Craig R. Whitney

BONN, Aug. 2 (NYT).—The West German government reported today that it had tapped civilian telephones in West Germany at the request of U.S. intelligence agencies.

It denied, however, that the tapping had been done illegally by the American agencies themselves, as reported in German newspapers and suggested by American intelligence agents who disclosed an "offensive counterintelligence" program in Germany to The New York Times last weekend.

The German government statement was made at the end of an inter-ministerial investigation committee meeting which examined the allegations this week.

"The Federal Postal Ministry has no knowledge of any illegal tapping of the public telephone network of the Federal Republic of Germany," as has been reported in the press," the statement said.

[The United States, Britain and France, all of whom maintain armed forces in West Germany, have the right to suggest to the German government the tapping of telephones in the Federal intelligence agency that one or the other tap the telephone of a person they believe is endangering their military security, Bundeswehr spokesman, said today.]

"All of the three powers have repeatedly made use of this possibility to suggest surveillance measures," Mr. von Weizsacker said. "In some of the cases, the suggestion has been followed."

The United Press International quoted him as saying:

A German source said, however, that American military authorities are allowed to do surveillance on German installations if the German authorities are notified. He said that such notification was given in the case of the mission, which he said was suspected of harboring three deserters.

He could not say when such notification was given or whether it included the information that the Americans planned to infiltrate an agent posing as a deserter into the mission. American agents told The Times that the original planning for the operation against the Gossner mission specifically instructed that German authorities were not to be told about it. The operation, called "Penguin Monk," went into effect in June.

A government official who explained the results of the investigation to the press said, "In fact, West German agents did the actual listening work and passed on their transcripts to the Americans." He declined to comment on the possibility that American intelligence might have used other means to monitor telephone conversations.

The Times last week printed excerpts from American transcripts of a tap on the telephone of Tomi Schwatzer, an underground press service correspondent in Heidelberg, whom the American agent reports described as an "anti-U.S. Army activist."

German sources said that Mr. Schwatzer's civilian telephone was tapped, but by German agencies at the request of American intelligence. (Continued on Page 2, Col. 6)

Shultz Stresses View Inflation Is Chief U.S., World Problem

By Hobart Rowen

WASHINGTON, Aug. 3 (UPI).—President Nixon's chief economic spokesman warned today that the nation faces a new round of higher wage settlements next year and in 1975, "if we can't get control of the price side of the equation."

Treasury Secretary George F. Shultz, testifying at the congressional Joint Economic Committee's midyear hearings, repeatedly cited inflation as the "No. 1" economic problem for the United States and the rest of the world.

He voiced reluctant acceptance of wage-price controls, asserting that he expects to "get some mileage out of Phase-4" of the President's economic program.

But in the present circumstances, he warned, "there can be no ducking the need for restraint in fiscal and monetary policies."

Mr. Shultz's warning of the "tremendous pressure" that may be building up for wage increases in the next year or two echoed an appraisal yesterday by AFL-CIO president George L. Meany.

Following a Chicago session of his labor group's Executive Council, Mr. Meany said he did not think that workers "can take it much longer," in view of skyrocketing food and other prices.

However, Mr. Shultz disagreed with Mr. Meany's prediction that Mr. Nixon's economic policies would produce a recession by the end of this year. Mr. Shultz said that, while the U.S. economy has problems, it is "very strong."

Trade-Balance Picture He cited progress being made in talks on international monetary reform, and a significant recent improvement in the U.S. trade-balance picture. The deficit, nearly \$7 billion in 1972, was reduced to \$1.25 billion in the first half of this year, Mr. Shultz said.

Discussing the dollar, he made the point—often overlooked—that while there has been a large depreciation in recent months against European currencies, "the dollar has remained quite stable" in relation to Canada, the United Kingdom, Japan and Italy, which account for 75 percent of U.S. trade.

Mr. Shultz revealed that U.S. intervention in the currency markets to stabilize the exchange value of the dollar is "not on a great scale." Last month, the United States announced that it had been intervening when necessary. (Continued on Page 2, Col. 2)

Watergate—One Talk Show After Another

By Don Shirley

WASHINGTON, Aug. 2 (UPI).—The rule against laughter does not apply in the evening at the Senate Caucus Room, Dick Cavett said.

At last, the gallery was just as packed as it is during the daytime, when displays of emotion allegedly are forbidden. But during the taping of ABC's "Dick Cavett Show" last night, everyone could laugh. Two commercials into the show, the crowd groaned without bringing down the gavel of Sen. Sam J. Ervin Jr.

Sen. Ervin, D., N.C., was not there. But four of his Senate Watergate committee colleagues were, relaxing and chatting as they cannot during the day.

Mr. Cavett sat in the witness chair during his opening monologue and later commented that he felt "guilty" just sitting there.

"You're maybe the first one," said Sen. Howard H. Baker Jr., R., Tenn., the committee vice-chairman.

Mr. Cavett said he intentionally left the room as it was at the end of the day's hearings. (The taped show is scheduled to be shown next Tuesday.) The floor was dotted with gum wrappers, empty cigarette packs and film boxes discarded by the flock of photographers who cover the hearings.



Sen. Howard H. Baker Jr., R., Tenn., at Watergate hearings.

was unable to fit the New York trip into his schedule, however, so the show came to Washington and grew into what one Baker aide called a "Watergate evening."

She said it was done with decorum and not in a carnival atmosphere.

"Quiz Show" Noting that the hearings have been called "a quiz show," Mr. Cavett recalled another quiz show, "To Tell the Truth," where "two out of three are lying. It's hard to tell whether we've improved or not."

Sen. Baker entered during the break for the first commercial. After initial pleasantries, Mr. Cavett wanted to know why the committee doesn't demand more precise answers. "Our questions do try to arrive at the maximum statements the witness is willing to make," Sen. Baker replied.

"But isn't it true that I don't recall" will get the witness off the "perjury hook?" Mr. Cavett persisted.

Sen. Baker: "Not necessary."

Mr. Cavett, interrupting: "Yes or no?"

Audience, mostly young Senate staff members: Laughter.

Sen. Baker acknowledged to Mr. Cavett that he had turned down a Supreme Court nomination. (Continued on Page 2, Col. 6)

To Counter Senate Hearings

Haldeman Sought McGovern Smear

By Bob Woodward and Carl Bernstein

WASHINGTON, Aug. 2 (WP). —As a countermove to the Senate Watergate hearings, H.R. Haldeman, White House chief of staff, proposed today a story to the press that Sen. George McGovern was the father of an illegitimate child.

Mr. Haldeman made the proposal in a Feb. 10 memo, in which he said: "There is also the question of whether we could let out the Port Wayne story now as part of a 'very hard game' as a countermove to the Senate Watergate committee."

The memo was discussed at the Senate Watergate hearings yesterday, but no mention of Sen. McGovern was made publicly. Under questioning, Mr. Haldeman said that President Nixon had refused to let out "the Port Wayne story," but he did not specify whether the refusal was made during the 1972 campaign or in February, when the Haldeman memo was written.

White House Deputy Press Secretary Gerald R. Warren said that attempts to encourage publication of a story that Sen. McGovern was the father of an illegitimate child "was certainly an act the President never would have permitted."

Sen. McGovern, the Democratic presidential candidate in 1972, said in an interview Tuesday that the Port Wayne story is a reference to a birth certificate in the city records division of Port Wayne, Ind., which lists "George S. McGovern of Mitchell, S.D." (Sen. McGovern's home town) as the father of a child born out of wedlock in the early 1940s. He



Sen. George McGovern

denied that he was the father of the child.

The Washington Post has confirmed the existence of such a birth certificate and has contacted the child's mother, who also denied that Sen. McGovern was the father. The woman, reached by telephone in another part of the country yesterday, said that she knew Sen. McGovern in the 1940s but did not list his name on the birth certificate as the father.

"I don't know who listed his name on the birth certificate," she said. The woman, a widow in her early 50s, said that her late husband was the father of the child.

In the memo proposing the leak of the Port Wayne story, Mr. Haldeman suggested that it could be put out discreetly

through syndicated newspaper columnist Rowland Evans and Robert Novak.

The purpose, Mr. Haldeman said in the memo, would be to show that the White House "ran a clean campaign compared to theirs (the Democrats) of libel and slander."

Putting the story out after the presidential election, Mr. Haldeman reasoned, would show previous restraint on the part of the White House because presidential aides would "make the point that we knew and the President said it was not to be used under any circumstances."

In his testimony before the Senate committee yesterday, Mr. Haldeman was not asked for details about the so-called Port Wayne story. Under questioning by Sen. Sam J. Ervin, D., N.C., the committee chairman, Mr. Haldeman indicated that the story was not manufactured.

The following exchange also took place:

Mr. Ervin: So the President knew about it?

Mr. Haldeman: The President knew about this particular story, yes.

Mr. Ervin: And he told you not to use it under any circumstances?

Mr. Haldeman: That is correct. And it wasn't.

The memo was given to the Senate Watergate Committee in June by former presidential counsel John W. Dean Jr. to whom the memo was addressed. In testimony before the committee yesterday, Mr. Haldeman said that the memo was his, but that the specific language was that of one of his assistants.

Mr. Dean had testified before the committee that the Feb. 10 memo was generated after meetings in La Costa, Calif., attended by Mr. Haldeman and other White House aides. The purpose of the meetings was to develop a strategy to counter the Senate Watergate hearings, Mr. Dean said.

Mr. Haldeman told the committee yesterday that the memo was part of a "counterattack" on the Senate committee.

Mr. Novak, the columnist, said yesterday that he received a tip on the Port Wayne story from a Democratic source in the summer of 1972. He said that he and Mr. Evans gathered information on the story, but decided not to write it "because it was not relevant to the campaign." He declined to say what the subject matter of the story was.

Became Aware in '72

Sen. McGovern said that he first became aware of his name on the birth certificate in the spring of 1972, before he became the Democratic presidential nominee. He said that he received a call from a government source in Fort Wayne saying that two men with identification from the U.S. Senate had visited the city birth records division and had obtained a copy of the birth certificate.

Soon thereafter, Sen. McGovern said, he had a copy of the birth certificate read to him over the telephone.

About three or four weeks before the Nov. 7 election, Sen. McGovern said that one of his aides received two or three anonymous telephone calls saying that a "Midwestern newspaper" was going to run the story. The story never was printed, however.

Sen. McGovern said that the mother of the child told him in a telephone conversation last year that FBI agents had visited her in 1961, when the FBI was conducting a background check on Sen. McGovern, before his nomination to head the Food for Peace office under President Kennedy.

In that 1961 FBI interview, Sen. McGovern said that the woman acknowledged that he was listed on a Port Wayne birth certificate as the father of one of her children.

Sen. McGovern said that it was possible that the White House learned of the birth certificate from his FBI file.

Hearing Is Set After FBI Agents Caught in Closet

GAINESVILLE, Fla., Aug. 2 (AP). —The judge in the trial of eight anti-war activists today promised the defense a requested hearing on two FBI agents who were found with electronic surveillance equipment in a closet next to a conference room for defense attorneys.

But U.S. District Judge Winston E. Arnoff did not say when the hearing would be held. He said yesterday that he was not prepared to consider a hearing until jury selection was completed.

The FBI agents were discovered in the closet Tuesday night. Seven members of Vietnam Veterans Against the War and one sympathizer are accused of plotting disruptions during the 1972 Republican National Convention in Miami Beach.

Judge Arnoff also said he was concerned about the mass of publicity on the case and was thinking of sequestering the jury. Assistant U.S. Attorney Jack Garmon urged the judge to do so, but defense attorneys said they felt it unnecessary.

Meanwhile, questioning of prospective jurors continued.



WATERGATE CONFERENCE—Sen. Daniel K. Inouye, D., Hawaii (left), talking with Sen. Joseph Montoya, D., N.M., during the Senate Watergate hearings yesterday.

Lawyer Apologizes for 'Jap' Remark Toward Sen. Inouye

WASHINGTON, Aug. 2 (AP). —The lawyer who referred yesterday to Senate Watergate committee member Daniel K. Inouye of Hawaii as "that little Jap" apologized today.

"I had no intention to insult Sen. Inouye," attorney John J. Wilson said in a statement. "I am sorry I said it and will personally apologize when Sen. Inouye apologizes for calling my client a liar over the network."

His reference was to Sen. Inouye's remark, "What a liar," following testimony before the Senate committee last week by Mr. Wilson's client, former White House aide John D. Ehrlichman.

Yesterday, in a comment to a newsman following morning testimony by another of his clients, former White House Chief of Staff H. R. Haldeman, Mr. Wilson referred to the Hawaii Democrat as "that little Jap."

The remark triggered strong reactions from Japanese-Americans, especially in Sen. Inouye's home state, where 38.7 percent of the population is of Japanese extraction, as is the senator.

Called a Bigot

Mr. Wilson was called a bigot and it was noted that Sen. Inouye lost his right arm and won the Distinguished Service

Cross fighting with the U.S. Army's crack Nisei unit, the 442d Central Postal Directory, in Italy during World War II.

The incident recalled the 1968 presidential campaign, when Spiro T. Agnew, the GOP vice-presidential candidate, touched off a controversy by jokingly referring to a Japanese-American newsmen in his entourage as a "fat Jap."

As the Senate committee resumed its hearings today, its chairman, Sen. Sam J. Ervin Jr., D., N.C., called Sen. Inouye, "one of the most dedicated Americans in the history of the Republic." Sen. Ervin said that he felt the events made it appropriate for him to comment.

The assistant chairman, Sen. Howard H. Baker Jr., R., Tenn., also praised Sen. Inouye and said that he felt it was unfortunate that such things occur in a "tension-filled atmosphere."

Sen. Inouye, who earlier had said, "Apparently we have not yet reached the stage where we can comfortably call each other brother and sister," responded to Sens. Ervin and Baker by saying, "Mahalo and aloha, which means thank you very much and I love you both."

Administration Blocked FBI On Watergate, McCord Says

WASHINGTON, Aug. 2 (AP). —James W. McCord Jr. says that if FBI agents had searched his car and home soon after his arrest in the Watergate break-in, they would have found \$18,000 in \$100 bills and enough evidence to break the case in days.

McCord, who has been convicted for his part in the break-in, said the FBI was blocked from conducting a thorough investigation. He urged Clarence Kelley, the bureau's new director, to permit senior FBI investigators to tell their own story of the problem.

A former Air Force officer and a former agent for both the FBI and CIA, McCord commented in the first of a three-part copy-righted series published in the August edition of the Armed Forces Journal, a privately published magazine aimed at a military readership.

He said that he was required to clear all important leads in the Watergate investigation with the Justice Department before pursuing them, a step, he said, that contradicts the bureau's standard operating procedure.

Leads 'Killed'

"Apparently many such leads were killed, either by the Department of Justice or the White House," McCord wrote.

And he contended that senior FBI officials were turned down when they sought warrants to search for possible evidence in the possession of the Watergate defendants.

If such a search had been conducted as late as four weeks after the Watergate break-in, he said, agents would have found electronic eavesdropping equipment used in the Watergate surveillance and tape recorders and electric typewriters belonging to White House consultant E. Howard Hunt Jr., McCord said.

"In my residence, they would have found additional electronic equipment related to the overall Watergate operation: \$18,000 in \$100 bills left over from the operation; subsequently used for lawyers' fees; some private copies of recent wiretap logs, which were later destroyed; and some penciled notes from January and February, 1972, mentioning not only John N. Mitchell's name but the names of John W. Dean 3d and Jeb Stuart Magruder as meeting with Mr. Mitchell during those early 1972 months to discuss the Watergate break-in."

Destroyed Material

"All of this documentary material I destroyed during July, 1972," McCord said.

"The equipment I either buried or disposed of in the Potomac River."

"Thus," he said, "the search that senior FBI personnel sought of my residence would have led immediately to John Mitchell, Jeb Magruder, John Dean, my equip-

ment suppliers, the Internal Security Division of the Department of Justice, and to White House consultant E. Howard Hunt."

McCord said Mrs. Hunt told him in late July, 1972, that her husband also had to dispose of incriminating material in their home.

He also said that, during the four weeks immediately following his arrest, "I was in a frame of mind in which I would probably have told the whole story to an FBI agent, if he had been one whom I knew and trusted."

"There is evidence that senior supervisory personnel of the FBI tried to get approval to get to me, seeking a confession, in July, 1972, but were turned down at the highest levels," McCord said.

McCord has been convicted in the Watergate case and his final sentence has been deferred pending a judicial review of his cooperation with investigators.

Mrs. Nixon Said To Have Decried Still More Tapes

WASHINGTON, Aug. 2 (AP). —Mrs. Pat Nixon insisted on having a bedroom of her own when she moved into the White House because she said President Nixon woke up during the night and spoke into a tape recorder, it was reported today.

The President, now enmeshed in the Watergate bugging scandal, also said to have had a "cat's cradle of electric wires" removed from under his White House bed before he moved in.

The Washington Post, quoting from the forthcoming book of memoirs of a former White House usher, J. Bernard West, said that Mrs. Nixon remarked before she moved into the White House: "I'll have a room of my own. Nobody could sleep with Dick. He wakes up during the night, switches on the lights and speaks into his tape recorder or takes notes. It's impossible."

According to Mr. West, President Nixon looked under his bed, which had been occupied by Presidents Johnson and Kennedy, and spotted a "cat's cradle of electric wires." He was told that they were for tape recorders, remote television controls and other items. He ordered the wires removed, Mr. West says.

U.S. Envoy in UN Chair

UNITED NATIONS, N.Y., Aug. 2 (AP). —Ambassador John A. Scall, who became U.S. chief delegate to the UN on Feb. 20, began his first on-month term as president of the Security Council yesterday.

Cavett Show At the Senate

(Continued from Page 1)

tion. After John N. Mitchell made the offer, Sen. Baker said, Mr. Mitchell said, "What do you think of that?"

"I said, 'I wish you hadn't asked,'" Sen. Baker said, explaining that he didn't really want to be on the court.

Sen. Baker spoke softly during the next commercial, cries of "louder" arose from the back of the gallery. "We can't hear if we can't hear," said a young man with a British accent.

"Laugh every so often anyway," Mr. Cavett pleaded.

During the next segment Mr. Cavett asked Sen. Baker if he was still "a Nixon man" — will anyone admit it? The audience

laughed.

To Nixon's Defense

But Sen. Baker didn't. He defended the President's "extraordinarily important accomplishments" in foreign affairs and revenue sharing.

Sens. Lowell P. Weicker Jr., R., Conn., Daniel K. Inouye, D., Hawaii, and Herman Talmadge, D., Ga., arrived after the next commercial.

Conversation turned to the famous tapes from the Oval Office. Sen. Inouye said he had never been in the Oval Office, but Sen. Talmadge said he had and has "no objection" if anyone wants to hear what he said then. Generally, Sen. Talmadge said, he doesn't care if "anyone, anywhere on earth, anytime, under any circumstances" listens to him, provided they give him advance notice.

Sen. Weicker inveighed against the attitude that "everybody does it," meaning dirty tricks in politics. "It just ain't so," he declared. Sen. Talmadge denied that the hearings are rehearsed, an assertion that Mr. Cavett said was made by Martha Mitchell in an interview he will use on his show next Wednesday.

Personal Questions

Mr. Cavett mentioned recent revelations about alleged skulduggery done by Anthony J. Ulaszewicz, a former policeman who has testified twice before the committee. Will he now testify again? "Sure he will," Sen. Baker said.

Mr. Cavett asked a series of personal questions. How did Sen. Inouye lose his right arm? During World War II in northern Italy, Sen. Inouye began, but Mr. Cavett interrupted with "You were in Europe?" Then, realizing that, yes, Italy is in Europe, he laughed at himself and said knowingly, "Oh, that Italy."

He and Sen. Weicker disagreed about the power of television to search out the truth. "Nothing is more devastating," Sen. Weicker said, but Mr. Cavett said he knew of people on TV who have lied and "looked absolutely convincing."

Sen. Talmadge drew laughs when he announced that he was indeed the salutatorian of his high school class, "but it was an elective office." But as a thunderstorm rumbled outside, the conversation again turned serious. Sen. Baker said the committee will make its report "regardless of the tapes" or the President's statements, and probably some senators will submit individual reports.

Bonn on Taps

(Continued from Page 1)

can intelligence, which then acquired the results and classified them "no foreign dissemination—confidential," Mr. Schwatzer is Austrian by birth.

An intelligence agent interviewed by The Times said that the prime mover behind an intensified campaign of U.S. intelligence surveillance of German and American civilian organizations that allegedly were helping deserters was Maj. Gen. Harold R. Aaron, deputy chief of staff for intelligence at the U.S. Army, Europe, headquarters in Heidelberg.

Gen. Aaron declined requests for an interview but was in Bonn today, according to an American Embassy spokesman, to consult with American representatives here about the accounts of American intelligence activities. He did not make a report to the German investigating committee, the spokesman said.

Helms Testifies He Kept CIA 'Clean' on Watergate Affair

(Continued from Page 1)

stated with the CIA in Paris brought back and assigned to him.

"It seemed to me the agency was being used," Mr. Helms said. "I got ahead of Gen. Cushman and told him that I thought this was totally unacceptable and I wouldn't stand for it."

Ehrlichman Call Cited

Gen. Cushman, who also testified today, said that a tape-recorded conversation and official agency minutes back up his belief that John D. Ehrlichman set up aid for Hunt.

Mr. Ehrlichman, formerly the President's chief domestic adviser, testified that he had no recollection that it was he who asked CIA aid for Hunt, who later participated in the 1971 break-in at the offices of Daniel Ellsberg's psychiatrist and the 1972 Watergate raid.

Gen. Cushman, now commander of the Marine Corps, told the committee that Mr. Ehrlichman called him July 7, 1971, saying that Hunt had been hired by the White House as a security consultant and should be helped.

He said minutes of a CIA staff meeting show he reported the following day, July 8, that Mr. Ehrlichman had called about Hunt. He said a transcript of his conversation with Hunt on July 22 shows that Hunt mentioned Mr. Ehrlichman and Gen. Cushman responded, "Yes, he called."

Mr. Ehrlichman, stopping short of denying outright that he made the call, has testified to the committee that he can't remember calling Gen. Cushman and thinks he would remember if he had called.

Regrets Profile

Mr. Helms took the blame for agreeing, at the request of "one of the White House 'plumbers'—David Young—to have the CIA prepare a psychological profile" on Mr. Ellsberg.

"He lied with me," he said of Mr. Ellsberg. "We were the only ones they knew in town that did things of this kind, had practice in doing them and please would we do so."

Mr. Young rejected a first profile, a second was prepared, and also turned down, he said. The burglary of the psychiatrist's office followed.

Asked why he agreed to have the profile prepared, Mr. Helms said: "Well, it was a high-level White House official asking for this help and it didn't seem like it would do any harm."

Then he added: "I'm not proud of that one. On Monday a lot of football games are played again."

Q. Did it ever occur to anybody to go to the President of the United States and advise him of these very unusual things that were going on?

A. My preoccupation during these months was to keep the agency at distance. When I saw these feelings being made, it was suppository. "Do you suppose these things could be done?"

Investigation Queried

Sen. Howard H. Baker Jr., R., Tenn., and minority counsel Fred Thompson emphasized in their questioning whether there might indeed have been enough indications of possible CIA involvement in Watergate to arouse legitimate White House concern that agency operations would be unmasked by the FBI's investigations.

Mr. Helms rejected suggestions from Sen. Baker that he should have conducted a more thorough investigation of CIA links to the burglary.

"I thought that was the FBI's job," Mr. Helms replied.

"So did the White House," Sen. Baker said.

"Wasn't it the FBI's job?" "I have a hunch," the senator said, "I would have jumped up and down and screamed until I found out what happened."

"I have no doubt that you would have. At the time these men were arrested, it did not seem to me to be the proper thing," Mr. Helms replied.

The five men arrested inside Watergate all had been involved in the Bay of Pigs operation in 1961. In addition, Hunt had been a former CIA agent. G. Gordon Liddy, the seventh man convicted in the case, and by all accounts the mastermind of the break-in, had no prior connection with the CIA.

'Amateurish' Break-In

Mr. Helms said James W. McCord Jr. had had no responsibility in the CIA that dealt with breaking into offices. McCord, one of the Watergate burglars, was a 19-year employee of the CIA.

"Is it fair to say that you are implying at least that the McCord operation was not in keeping with modern and efficient standards and surveillance as you know them?" Sen. Baker asked.

Mr. Helms said, "Breaking and entering and not getting caught is a very difficult activity. For it to be done properly, one has to have trained individuals who do nothing else and do it frequently and are trained in how to do it."

Q. McCord was not in that category?

A. Obviously not.

Mr. Helms repeated testimony given earlier to four other congressional committees, that six days after the Watergate break-in he was called to the White House and met with H. R. Haldeman, Mr. Ehrlichman and Lt. Gen. Vernon A. Walters, the deputy director of the CIA.

"Mr. Haldeman said that was a lot of flak about Watergate burglary, that in position was capitalizing on and he wanted to know what the agency had anything with it. I assured him the agency had nothing to do with it. Mr. Helms said that on the meeting he later Gen. Walters to remind the of an agreement between two agencies to keep each other informed on running across another's operations."

The opening witness turn will be Gen. Walters. Full on the witness schedule is I trick Gray 3d, former actor rector of the FBI.

House Curb Funds for T Nixon Home

By Marjorie Hunt

WASHINGTON, Aug. 2 (AP). —The House agreed yesterday to curb security funds for President Nixon's homes at Key Biscayne and San Clemente, Calif., a specific congressional approval.

The House also agreed to a \$1.5-million "special" fund for the White House while Nixon administration used other things to pay the bill consulting fee to E. J. Hunt Jr. one of the Watergate conspirators.

The House Government Operations Committee voted to subpoena government showing federal financial improvements to the Nixon administration.

The committee said it gave the White House 10 days to produce documents voluntarily. Before the vote, the committee's subcommittee on the Nixon administration, to pay the bill consulting fee to E. J. Hunt Jr. one of the Watergate conspirators.

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Page 77 to 16

Senate Overrides Nixon Veto Of Bill To Save 8 Hospitals

WASHINGTON, Aug. 2 (AP).—The Senate voted today to override President Nixon's veto of a bill that would prevent the administration from closing eight Public Health Service hospitals.

The vote was 77 to 16, 15 more than the two-thirds majority needed to override a veto.

The action sent the bill, which was vetoed by Mr. Nixon yesterday, to the House. House leaders are expected to delay the vote until after Sept. 5, when Congress returns from a recess, scheduled to start tomorrow.

Last month the House vote on passage of the bill was 28 votes above a two-thirds majority. If the House goes along with the Senate action, it would be the first congressional success of 1973 in overriding a presidential veto after four failures.

Meanwhile, the eight hospitals are being kept open by a federal court injunction, issued on July 27. The bill also sets up a new \$185-million program for developing emergency medical service systems.

Too Expensive
Mr. Nixon said in his veto message that the bill is too expensive and infringes on state and local governments.

Sen. Warren G. Magnuson, D., Wash., called Mr. Nixon's veto "the product of the same callous attitude toward meeting the health needs of the American

people as we have witnessed ever since this administration took office."

The eight hospitals are in Seattle; Boston; San Francisco; New Orleans; Baltimore; Galveston, Texas; Staten Island, N.Y.; and Norfolk, Va.

In other congressional action: The Senate, seeking ways to ease the U.S. fuel shortage, voted by 79 to 9 yesterday to require President Nixon to order a mandatory allocation of surplus fuels.

The measure would direct Mr. Nixon to establish the program within 10 days. It also would give him sweeping powers to set gasoline and fuel-oil prices.

The sponsor, Sen. Henry M. Jackson, D., Wash., said the legislation was needed so the United States would not be caught short this fall by high seasonal demands for harvesting and heating fuels.

He also said it was Congress' last hope for saving independent oil and gasoline distributors.

The Senate adopted Sen. Jackson's proposal as an amendment to a nonrelated bill establishing guidelines for the labeling of copies of books.

A bill hiking the minimum wage by July 1, 1974, to \$2.20 an hour and extending its protection to seven million more workers won Senate approval today despite talk of a presidential veto.

The 62-to-28 vote sent the measure to the House, where action is expected tomorrow.

Republican opponents have predicted President Nixon would veto the bill as inflationary.

But Sen. Jacob Javits, R., N.Y., said Labor Secretary Peter Brennan told him yesterday, "I will request to the President that he sign the bill. I have no assurance or commitment that he will do so."

The conference chairman, Rep. Jim Wright, D., Texas, said he had been told President Nixon's Office of Management and Budget objected to the spending levels.

Unless he has assurances that the bill would not be pocket-vetted while Congress is on vacation, Rep. Wright said, he would keep it off the House floor until September so Congress would have an opportunity to override a veto.

The \$20-billion, three-year bill provides money for interstate highways for three years, for bus mass transit starting in the second year, and for rail mass transit starting in the third year.

The House today passed a bill authorizing \$3.2 billion during the next three years to help state and local governments fight crime.

The bill, a compromise between versions passed by the House and Senate, now goes to the Senate for final action. It passed the House by a wide vote.

The bill would continue through fiscal 1976 the Law Enforcement Assistance Act, first passed in 1968. Authorized spending levels in the bill are \$1 billion for each of the next two years and \$1.2 billion in 1976.

By one vote, the Senate Armed Services Committee yesterday decided to cut \$88.4 million from the Nixon administration's \$1.5-billion request for the missile-firing Trident submarine.

The 8-to-7 action upheld a unanimous recommendation of the panel's Research and Development subcommittee.

It came as the committee pushed toward approval, possibly this week, of a multi-billion-dollar military procurement bill. The House passed its version of the legislation, totaling \$20.5 billion, on Tuesday night and rejected attempts to cut funds for the Trident.



LOGGING TIME—Advancing at the not-so-rapid clip of 2 kilometers an hour, a tug drags 5,000 bundles of logs toward a date with a sawmill on a Finnish lake.

Unless Congress or Courts Disagree

U.S. Agency Plans to Tax Political Parties

By Eileen Shanahan

WASHINGTON, Aug. 2 (NYT).—The Internal Revenue Service announced yesterday that it intends to start taxing some of the income received by political parties and committees, unless Congress or the courts tell it not to.

The types of income to be taxed will include a particular type

of campaign contribution that is commonly made by wealthy persons—shares of stock, which often have increased in value since the contributor first bought them.

Under the proposal announced yesterday by IRS Commissioner Donald C. Alexander, it is the political party or committee that would pay the tax—not the donor—on any such capital gain on

assets donated to a political organization.

The change would make such gifts, which are usually made only by persons of considerable means, less attractive to political groups because they would have to pay a tax of anywhere from 7 percent to 35 percent on the increased value of the donation.

No Tradition of Tax

Political parties and committees traditionally have not been taxed at all, and the law says nothing on the subject. Some committees organized for specific political candidates have been taxed in the past as a result of private rulings issued by the IRS.

Mr. Alexander said that it was his desire to end this inconsistency, among other reasons, that prompted his proposal.

He added, however, that he felt Congress had a right to make itself heard on the subject of taxation of political parties and committees and said that this was the reason why he was not issuing any binding rules at this time.

He said, in addition, that the Republican National Committee had informed him that it believed that taxation of political parties was unconstitutional. Mr. Alexander said he disagreed.

Waiting Game
The IRS plans to wait for an unspecified period of time to see whether Congress disagrees with what the agency wants to do. If Congress does not act, then the IRS will notify political groups that they are to file tax returns. At this point, the agency could face lawsuits.

Mr. Alexander said that he intended to cover 1972 receipts of political parties and parties, and that yesterday's announcement was intended to put them on notice that they could be taxed for last year.

The biggest single item of income that political groups have—the donations that they receive—would not be taxed except for the gains on assets that have appreciated in value between the time the contributor acquired them and the time he gave them to a political group.

Income from interest or dividends would be taxed—an item that would probably hit the Republicans harder than the Democrats, at least at present, since they apparently had surplus funds throughout 1972, at least some of which were presumably invested rather than held in cash.

Political parties also would be taxed on income from commercial activities.

French Court Frees Radical Left Leader

PARIS, Aug. 2 (UPI).—An appeal court today decided to free Alain Krivine, jailed leader of the recently outlawed Communist League political party and a presidential candidate in the 1969 elections.

Mr. Krivine was arrested on June 30 under France's new anti-riot law after a June 21 demonstration by his followers against a meeting of the rightist political party New Order, which had been authorized by the police. The demonstration resulted in severe violence. The appeal court set bail at 20,000 francs.

Telephone cable failures occurred along Fifth and Madison Avenues and in Rockefeller Center. A telephone company spokesman said there also were scattered flooding and service interruptions in the Bronx, Brooklyn and Queens.

IRT subway lines in Manhattan and the Bronx were flooded in some areas, and service disrupted.

Penn Central train service was interrupted temporarily by high water in the Bronx. Several trains were canceled. Others ran as much as an hour late.

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GM to Offer Air-Bag Option In Some of '74 U.S. Models

By Cathie Wolhowe

WASHINGTON, Aug. 2 (UPI).—General Motors told the Senate Commerce Committee yesterday that it will be ready by Jan. 1 to offer 100,000 inflatable air bags as safety options on 1974 Buick, Oldsmobile and Cadillac models.

GM thus becomes the first U.S. auto company to make air bags available to the public. Competitors Chrysler and Ford told the committee that they would not oppose the move. Until yesterday, they had been expected to bring a suit, similar to their 1971 action, to block the use of air bags until the government devised new test specifications.

Air-bag systems originally were scheduled by federal regulations to be installed in all new cars starting in 1976, but a federal court decision last year postponed the deadline until the Department of Transportation obtained "uniform, repeatable and consistent test results."

After reviewing tests conducted by GM, the National Highway Traffic Safety Administration issued new guidelines last week which permitted the company to offer the air bags as an option. It stayed Ford's suit by agreeing to conduct hearings before expanding the guidelines.

Price: About \$200

GM estimates the retail price of an air bag at about \$200 with an optional lap belt for an additional \$25. Ford predicted that the cost will be closer to \$70. Allstate Insurance Co. said that part of the cost would be offset by reduced insurance premiums on air-bagged cars.

Air bags could have saved almost 17,000 of the 38,000 persons who died in auto accidents in 1971, John S. Rees of Allstate told the committee. In Allstate's 5-million-mile experiment, with 233 cars equipped with air bags, he said that results had been totally successful.

Ford's executive vice-president, Fred Secrest, disputed those results and said, "Air bags are still what we first conceived them to

be—a superior crash pad in frontal collisions. They do not keep occupants securely in place in many other kinds of collisions."

But there was no question about air bags in the mind of Ralph Worsley of Wauconda, Ill., who survived a 68-mile-an-hour crash into a parked car.

"It was only the grace of God that I happened to be in a car with one of those bags," he testified. "I'd been driving down rough roads all day and I'd unhooked my seat belt because it kept getting tighter and tighter."

Seat-Belt Laws Endorsed

WASHINGTON, Aug. 2 (AP).—The nation's three major auto-makers have endorsed proposals requiring motorists to fasten their seat belts or face fines.

Ford and Chrysler endorsed the mandatory "buckle-up" proposal yesterday and GM has indicated an advertising campaign on behalf of the seat-belt bills, which have been introduced in 31 state legislatures.

U.S. Curb Asked Against Tyranny By Computers

WASHINGTON, Aug. 2 (NYT).

A government advisory committee yesterday recommended a new code of "fair information practices" backed up by law to protect the privacy of the individual against the technological tyranny of the computer.

"Under current law," said the report, "a person's privacy is poorly protected against arbitrary or abusive record-keeping practices." It noted that information collected legitimately for one purpose and stored in a computer could all too easily be used by another individual or agency for another purpose unfair to the individual concerned.

More and more, the individual is losing control over personal data concerning him, the report said.

The panel of experts who wrote the report after a year-long study was recruited for the task by Elliot L. Richardson, then the secretary of Health, Education and Welfare. He is now the Attorney General.

At a news conference yesterday, he and Caspar W. Weinberger, who replaced him as secretary of HEW, said they endorsed the general principles of the committee's report, although neither has yet had time to analyze the 345-page document in its entirety.

German Is Seized In Terrorist Case

KARLSRUHE, West Germany, Aug. 2 (Reuters).—The West German federal attorney said today that police had detained the last key members of the so-called Baader-Meinhof group to have escaped last year's big police raids on the anarchist organization.

A spokesman at the federal attorney's office here named the man as Roland Augustin, 28, and said he had been detained on charges as he attempted to enter West Germany from the Netherlands on July 24. Police sources said he produced a pistol when border police attempted to seize him and he has been charged with attempted murder.

Information Agency Seen In New Role

Director of U.S. Unit Speaks of 'New Era'

WASHINGTON, Aug. 2 (UPI).—Director James Keogh says that the U.S. Information Agency has entered a "new era" in which its prime objective will be explaining America's economic problems to its allies and promoting cultural cooperation with its former adversaries.

In an interview on the agency's 20th anniversary yesterday, Mr. Keogh said, "We are in a different era, which really began when President Nixon went to Peking. We have changed our policies for the new era which has been established."

Mr. Keogh said that in the past, the United States has had a client relationship with Western European countries and Japan. "Now all that is changed," he said. "We have more of an equal partnership relationship. This means that relations with our allies are more complicated, and we need to make new efforts to make the U.S. position understood on balance of payments, trade and monetary questions."

The USIA director said that it was important to stimulate cultural and informational exchanges with the socialist countries who regarded the United States as an ideological enemy during the cold war.

While he noted progress in promoting such contacts, he said: "The contest between the socialist and capitalist countries is still there and we should not make the assumption that there will be no irritants. This makes the problems we face with the socialist countries very complex."

Mr. Keogh, a former executive editor of Time magazine and a White House aide in 1969-1970, also said the USIA is negotiating with Czechoslovakia on sending an exhibition on the environment to that country.

The USIA also plans to open an exhibit on automobiles in U.S. life, in Bulgaria in September, Mr. Keogh said.

Strike by Officers Halts U.K. Ferries

DOVER, England, Aug. 2 (AP).—About 400 officers of British ferry boats operating on the English Channel staged a 24-hour strike today. But there were no long lines of waiting passengers and cars.

Hundreds of vacationers apparently changed their travel plans to avoid the strike. French and Belgian ferries, which run normally, were able to handle the rest of the traffic from the strike-hit ports of Dover and Folkestone.

The striking officers are seeking higher pay.

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Nixon Picks Bunker, Wife for New Posts

WASHINGTON, Aug. 2 (UPI).—President Nixon today nominated Ellsworth Bunker, veteran diplomat who presided over U.S. activities in Saigon during the height of the Vietnam war, to be an ambassador at large.

Mr. Nixon also nominated Mr. Bunker's wife, Carol C. LaSe, to be assistant secretary of state for public affairs, a position that has been vacant since 1971. Miss LaSe, who retains her maiden name, formerly was U.S. ambassador to Nepal.

Mr. Bunker was a member of the Nixon administration's \$1.5-billion request for the missile-firing Trident submarine.

The 8-to-7 action upheld a unanimous recommendation of the panel's Research and Development subcommittee.

It came as the committee pushed toward approval, possibly this week, of a multi-billion-dollar military procurement bill. The House passed its version of the legislation, totaling \$20.5 billion, on Tuesday night and rejected attempts to cut funds for the Trident.

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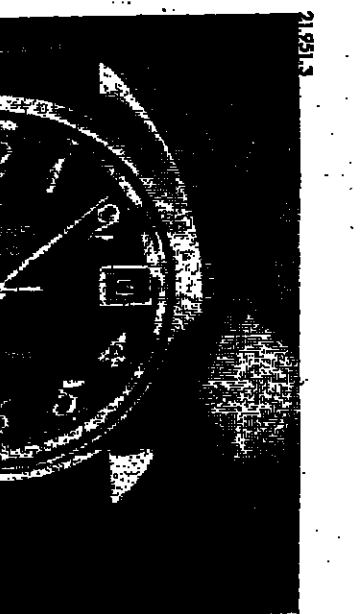
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Newspaper Launching Is Delayed in N.Y.

NEW YORK, Aug. 2 (NYT).—John M. Shaheen, a millionaire industrialist who announced several months ago that he would bring out a new daily newspaper here by the end of the year, said yesterday that the first issue of the paper, the New York Press, would be delayed until next March by an extensive remodeling job at the former plant of the Morning Telegraph, which he purchased.

The new paper is to appear Monday through Friday afternoons and is to be heavily oriented toward business and economic news.

Heavy Rain Cuts Many Services In New York City

NEW YORK, Aug. 2 (AP).—A torrent of nearly 2.5 inches of rain fell on this area today, knocking out thousands of telephones in midtown Manhattan, snarling subways, delaying trains and blocking highways.

The storm began at 1:45 a.m. and quickly eclipsed the old rainfall record for the date—1.50 inches in 1976.

Telephone cable failures occurred along Fifth and Madison Avenues and in Rockefeller Center. A telephone company spokesman said there also were scattered flooding and service interruptions in the Bronx, Brooklyn and Queens.

IRT subway lines in Manhattan and the Bronx were flooded in some areas, and service disrupted.

Penn Central train service was interrupted temporarily by high water in the Bronx. Several trains were canceled. Others ran as much as an hour late.

Trudeau Opens Conference Of 32 Commonwealth Nations

OTTAWA, Aug. 2 (AP).—Prime Minister Pierre Elliott Trudeau today formally opened the 19th conference of British Commonwealth leaders, declaring that the world is approaching peace because the big powers recognize that aggression can settle nothing.

Without challenging Mr. Trudeau's statement, President Julius Nyerere of Tanzania, a member of the 32 Commonwealth heads of government, offered this qualification: "I do not believe we can honestly say the world is closer to justice for the poor and oppressed. Peace, by itself, is not enough. To be acceptable, it must be a peace which can be used for the furtherance of human equality and dignity."

The difference of emphasis between the Canadian and Tanzanian leaders pointed up the varying ways in which the old and the new, the white and the nonwhite member states of the global partnership see conditions in today's world.

The nine-day meeting opened with British under pressure to prove that its membership in the European Economic Community will not weaken its ties with its former empire.

Mr. Trudeau led off with a welcome to the Commonwealth's two new members—Bangladesh and the Bahamas. The Bahamas became a sovereign state only 33 days ago.

"The nature of our meeting does not lend itself to the resolution of any crisis or the solution of any major problems," he said. "By looking to the future, however, we should be able to identify those issues which, if left unattended, could develop into crisis proportions."

A new balance has developed in Commonwealth politics, brought about by the older, white members—Australia, New Zealand and Canada—moving away

from Britain's side. They have shifted toward a closer identification with the newer members in Asia, Africa and the Caribbean.

The Australians and New Zealanders recently elected Labor governments and, like the Canadians, have been displaying an interest in reviving Commonwealth cooperation and recasting the work and role of the partnership.

British Prime Minister Edward Heath contends that Britain's membership in the European Community will strengthen—not weaken—the Commonwealth by enabling Britain to regain its former prosperity. His overseas partners are looking to him to prove that membership in the two associations is not only compatible but also helpful.

A lack of Commonwealth sympathy, for instance, to imports of cocoa from Ghana or textiles from India or Caribbean sugar could upset the economic prospects of those countries for years ahead.

Mr. Heath is also under pressure to join in a condemnation of France's nuclear test program in the South Pacific, something New Zealand and Australia are pushing for.

The delegates got down to business after the ceremonies with a discussion of the swiftly changing international scene and especially the impact of U.S. foreign and economic policies on the world.

While the talks got under way, Queen Elizabeth II, in her role as Canadian chief of state, was at the center of a series of side ceremonies, including the presentation of awards to members of Canada's armed forces and to outstanding civilians.

Later in the day, each chief delegate of the Commonwealth countries was being received in a private audience by the monarch.

The Ladybug: Finland's Scourge Or the Date Palm's Salvation?

From Wire Dispatches

HELSINKI, Aug. 2.—In Finland, they're something of a curse. In Africa, experts believe, they could be the date palm grower's best friend. They are ladybugs, also known as ladybirds.

A prolonged drought in Finland appears to have wiped out the larvae and tiny bugs upon which the ladybugs normally feed. In their hunger, they reportedly have taken to biting human beings, attacking, apparently, in swarms.

Dr. Pekka Nurminen, a Helsinki University biologist, said that ladybugs normally never bite human beings. He also said that the bites are harmless.

Meanwhile, the World Council of Churches announced in Geneva that it is financing a program to breed a special type of ladybug that would prey upon insects that kill date palms in the sub-Saharan region of Africa.

Date palms represent a secondary source of income and food for inhabitants of the area. The importance of the date palm has been emphasized further by a drought that has resulted in the virtual destruction of the herds of cattle, sheep and goats which represent the sub-Saharan African's principal source of food and income.

The Overseas Fruit Research Institute in Niger is working on the ladybug breeding project, using funds provided by the church council.

High-Speed Train Overcomes Mishaps in British Trial Run

LONDON, Aug. 2 (Reuters).—The air conditioning went haywire, the bar ran out of gin, a faulty signal halted the whole operation for a while and an unidentified flying object cracked the windshield. Despite all that, Britain's high-speed passenger train prototype made a punctual debut today.

"I think we are ahead of virtually every country in the world," boasted British Rail chairman Richard Marsh after the high-speed train (HST) was put through its paces.

The train, powered by diesel engines in front and behind, produced almost 5,000 horsepower, reaches speeds of 125 miles an hour. It is slower than the crack express of Continental Europe and Japan, but it has a cost advantage of not requiring special tracks or electric power.

Total development costs were less than £2 million. "That would have bought one set of ashtrays for Concorde," said Mr. Marsh in a jibe at the costly Anglo-French supersonic airliner.

Fittingly, the trial run of HST 001, packed with notables and

newsmen, took it from London to Darlington in north England. The world's first railway service operated between Stockton and Darlington 150 years ago.

Nearing Darlington, the driver slammed on the brakes at more than 125 miles an hour and brought the train smoothly to a halt in little more than a mile.

Unscheduled events were handled equally smoothly. The five minutes lost through a signal failure were easily made up and the air conditioning was fixed by a handyman with a screwdriver.

A Turnabout

Nobody was sure just what cracked the windshield, but it was thought to have been a stone thrown up by another train. The HST was turned around at its next stop and the damaged diesel was put at the rear.

This type of train may be the type to use a Channel tunnel between England and France, when it is built.

"We are already talking with the tunnel people with a view to through-trains to Milan and elsewhere," Mr. Marsh said.

Obituaries

Jean-Pierre Melville, 55, French Movie Director

PARIS, Aug. 2 (Reuters).—French film director Jean-Pierre Melville, 55, died here today of a heart attack.

Mr. Melville, one of France's best known film makers, directed "Les Enfants Terribles" in collaboration with author Jean Cocteau, and other hits such as "Léon Morin Prêtre" (Leon Morin Priest), "Le Deuxième Souffle" (The Second Wind) and "Le Cercle Rouge" (The Red Circle).

A great admirer of American directors Howard Hawks and John Ford, Mr. Melville was a meticulous craftsman whose work was acclaimed by young film directors as well as by those of his own generation.

Known for his habitual Texas cowboy hat and dark glasses, Mr. Melville directed mainly thrillers, although he started his career with a short film on the life of a clown in 1948.

Born Jean-Pierre Grumbach, he held various jobs outside movies before World War II, in which he fought in the French Resistance. He later directed two major films on the Resistance, "Le Silence de la Mer" (The Silence of the Sea) and "L'Armée des Ombres" (The Army of the Shadows).

In addition to working as a director, Mr. Melville wrote and produced films and always said he would have liked to have written the music as well in order to be a complete cinematic creator.

He was known as an "actors' director." Among the stars to whom he gave major roles were Alain Delon, Bourvil, Simone Signoret and Jean-Paul Belmondo in the unlikely part of the priest Léon Morin.



Jean-Pierre Melville

Marxist philosopher Herbert Marcuse, died Tuesday night.

Mrs. Marcuse was born in Germany, like her husband, and came to the United States with him eight years ago. She was a lecturer in French and German at San Diego State University until February.

Mr. Marcuse, 75, author of the influential "One Dimensional Man," is a retired philosophy professor at the University of California at San Diego.

Irish Hitchhiking Couple Free In Driver's Murder in France

EPINAL, France, Aug. 2 (Reuters).—A French examining magistrate today in effect permitted a young Irish hitchhiking couple to leave France after they were charged last night with murdering a Tunisian motorist near here.

The couple told newsmen that the Tunisian, who had given them a lift, tried to make amorous advances to the Irish girl and was killed accidentally in a subsequent fight with his two passengers.

Examining Magistrate André Fiance was said by an Irish Embassy official to have released the couple, Elizabeth Styles O'Connor, 19, and James Connolly, 23, "without any conditions whatsoever." The embassy man in Paris said: "The judge knows they are leaving France."

Mr. Fiance explained: "This is not a normal murder charge. There are nuances coloring this affair which convinced me that I should release the couple. He said he would not necessarily have to recall the two for trial since further investigation could possibly lead him to drop the murder charge."

Return to Dublin

Although the couple have been living in Birmingham, England, they planned, after their release, to return to Dublin, the Irish Embassy official said. The embassy also noted that they could be questioned there by French consular officials.

Protestant Hit By Gunman in Belfast Street

Army Defuses a Bomb Discovered Near Fuel

BELFAST, Aug. 2 (UPI).—A gunman shot and seriously wounded a Protestant man here early today, a police spokesman said.

Police said that four men in a car drove up beside the 53-year-old man on a street near the city cemetery. One man got out of the car and asked the pedestrian his religion, then shot him in the mouth. He was reported to be in serious condition.

Near the city center, meanwhile, an army explosives expert defused a bomb found planted in a suitcase near a 500-gallon fuel tank. And, near the border village of Belfast, 50 miles southwest of Londonderry, three armed men blew up a customs post. An army spokesman said that the men ordered the three customs officers to leave the post before they planted the bomb.

In other activity in Northern Ireland, troops investigating an explosion near the town of Keady, 35 miles southwest of Belfast, found 350 pounds of explosives in two milk cans. And a gunman in Belfast fired at an army foot patrol in MacRory Park. The troops returned the fire, but no one was reported injured, an army spokesman said.

Security forces, meanwhile, uncovered more than 2,000 rounds of ammunition, flares and explosives during a search operation that closed many roads in the Roman Catholic Lower Falls Road area.

In London, the British Peace Committee, a leftist organization, urged the opposition Labour party to declare a new policy for Northern Ireland.

In a statement, it said, "A clear alternative to the present Whitelaw (Northern Ireland Secretary William Whitelaw) is urgently needed."

White House Vow Of All Possible Aid to Cambodia

WASHINGTON, Aug. 2 (AP).—The White House said today that the United States "would continue to provide all possible economic, diplomatic and military support" to the Cambodian government.

Congress has voted an Aug. 15 cutoff in U.S. bombing of Communist positions in Cambodia. After that date, Deputy Press Secretary Gerald L. Warren said, "we will do whatever is possible under the law."

Meanwhile, the Defense Department indicated that a U.S. military role will continue in Cambodia after the Aug. 15 bombing cutoff. A Pentagon spokesman said the U.S. program would go beyond normal aid already approved by the Congress for both Cambodia and Laos.

Spokesman William Beecher said that an announcement would be made tomorrow on "what understanding the Defense Department has of what it is permitted and precluded from doing after the bombing halt."

Israelis Question 10 On Guerrilla Attacks

TEL AVIV, Aug. 2 (AP).—Ten Arab suspects have been arrested in the Israeli-occupied Gaza Strip in connection with guerrilla activity continued in Israel, the state radio reported today.

The 10 were held for questioning in two Molotov-cocktail attacks on buses carrying Arab workers from Gaza to jobs in Israel. A small explosive charge went off last night on the Gaza railroad, which also carries workers into Israel. No one has been injured in the sabotage incidents.



A BIRD ON THE BARREL—A myna bird keeps a Saigon soldier company as he patrols Route 13 north of Saigon. On his helmet cover, next to a peace symbol, he has written "I defeat my lover for abandoning me for another"—a soldier's complaint as old as war itself.

Top Phnom Penh Aides Said To Evacuate Their Families

PHNOM PENH, Aug. 2 (AP).—Government troops today battled hand to hand with Communist insurgents who, despite American air attacks, fought their way into a town southeast of Phnom Penh.

Thailand-based U.S. fighter-bombers today swept over the capital continually on their way to pound the insurgents, who also cut a strategic highway behind the city's defense lines.

The U.S. Congress has imposed an Aug. 15 deadline for halting American air support in Cambodia.

Informed sources in Phnom Penh said that an estimated 3,000 relatives of top government officials and wealthy businessmen have left for Paris, Hong Kong and Thailand as the insurgents tighten their noose around Phnom Penh.

The under-the-counter price for exit visas for Cambodians has gone up to 150,000 riels (nearly \$700) and some government officials are doing a brisk trade, reports say.

General's Family Gone

While expressing confidence about holding this city of three million, the army commander, Maj. Gen. Sostene Fernandez, has taken the precaution of sending his own family to Battambang. From there, it requires only a short car ride to reach the Thai border. The family of Phnom Penh's police chief left for Paris yesterday.

In Vietnamese Laos, diplomatic sources said that it will be at least a week more before the Communists and the royal Lao government conclude a final agreement on a temporary political and military settlement there.

The two sides in Laos have reached agreement in principle but still are negotiating proposed cease-fire and cease-fire lines throughout the country and the role of Communist Pathet Lao and government security forces that are to operate in the same areas.

The Communist-led forces infiltrating government defense lines in Cambodia cut the highway south of Phnom Penh and shot their way into the town of Deyach, 13 miles southeast of the capital.

Rebels Attacked

Also on the southeastern defense perimeter, government troops tried to blast rebel infiltrators from the village of Robas Angkhan. The Communist-led forces overran the village yesterday, apparently wiping out most of a militia company. About 100 government soldiers were reported missing.

Government troops pressed a counterattack today against rebel forces around the devastated village of Preteah Lang, nine miles west of Phnom Penh.

They said the driver began to make advances to the girl. "The man was holding the wheel with one hand. I told him to behave and pushed him away," Miss O'Connor said. She added that the Tunisian persisted and then Mr. Connolly told him to stop.

The man drove for another hour, toward the Vosges Mountains, then turned into an isolated field, where he and Mr. Connolly had a fight, the couple said.

Miss O'Connor told the magistrate that the driver fell unconscious after she hit him with a tent peg as the two men struggled. But police later determined that he had already been strangled during his tussle with the Irishman, and they told Mr. Connolly that. "The young man said to them: 'I am sorry.'"

Later, he elaborated to reporters: "We did not know the man was dead when we tied him up to prevent him from following us while we ran to a nearby village to alert police."

Nguyen Van Hieu, of the Viet Cong's Provisional Revolutionary Government, accused the Saigon forces of committing 42,000 violations of the cease-fire agreement between June 14 and July 25. He also accused Saigon of using "gas and toxic chemical products."

Buenos Aires Acts to Expel U.S. Diplomat

Letters by Charge To Minister Cited

BUENOS AIRES, Aug. 2 (AP).—The House of Deputies unanimously last night to that the executive expelled the Argentine U.S. chargé d'affaires, Max V. Krebs.

In asking that Mr. Krebs be declared persona non grata, house rejected memoranda sent recently to Finance Minister José Gelbard that critic a series of nationalistic economic measures now before the Argentine Congress.

Earlier yesterday, the Foreign Ministry expressed its "profound displeasure" at Mr. Krebs' notes. A ministry communiqué said Mr. Krebs had apologized. But it added that the incident "is incompatible with the tenets of relations that a sovereign state should maintain with another"—a soldier's complaint as old as war itself.

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Salvador Bussaca, the president of the body, read a motion agreed to by leaders of political parties in the house. "The hour of imperialism has finally terminated and the hour of the people has come."

The proposed legislation, which Mr. Krebs' notes said would have the government purchase seven banks acquired by U.S. and European banks after a military coup in 1966, also proposes nationalization of private bank deposits and control of exports and imports. The Senate must also act on the motion.

Bonn-Sofia Relations

BONN, Aug. 2 (AP).—German Foreign Minister Genscher yesterday to establish diplomatic relations, a Foreign Ministry spokesman said here.

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3 U.S. Marines Killed

NARA, Okinawa, Aug. 2 (Reuters).—A U.S. Marine helicopter crashed during a mountain rescue operation near here today. Three crewmen were killed and a fourth is missing.

Although the couple have been living in Birmingham, England, they planned, after their release, to return to Dublin, the Irish Embassy official said. The embassy also noted that they could be questioned there by French consular officials.

Nguyen Van Hieu, of the Viet Cong's Provisional Revolutionary Government, accused the Saigon forces of committing 42,000 violations of the cease-fire agreement between June 14 and July 25. He also accused Saigon of using "gas and toxic chemical products."

Watch for this feature every MONDAY, WEDNESDAY AND FRIDAY

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The Commonwealth

It may or may not be true that the British Empire was created in a fit of absence of mind. Probably Thomas Hardy exaggerated when he said the success of the British Constitution in practice was due to its inconsistencies in principle. But the legacy of the Empire—the Commonwealth, 32 nations representing a quarter of the world's population—is vague enough and inconsistent enough as it foregoes in Ottawa to justify both statements.

Here are republics in fact, some of which are monarchical in theory. Here are some of the finest examples of order under law sitting cheek by jowl with states that are blatant and sometimes remarkably crude dictatorships, or new-built governments whose legitimacy derives from revolution. Here are people of every color, race and creed in the world, assembled under the presidency of an Anglican queen. And to what end?

It would be difficult to say just what keeps the Commonwealth in being. Is it, as that sturdy imperialist, Rudyard Kipling, remarked, the ties of common funk? The Royal Navy was supreme on the seas when Kipling wrote that; now, far-called, it has melted away—relatively, at least, in a day when atomic submarines firing nuclear missiles and bearing the symbols of the United States and the Soviet Union come as close as anything to the old power of the dreadnaughts.

Is it the ties of common trade? The pound, like the Royal Navy, has lost its supremacy; Britain is drawing closer to the Continent

commercially, and farther from its old imperial markets.

Is it a style of law and government? What has Gen. Amin (who is not attending in person), or Sheikh Mujibur Rahman (who is) in common with, say, Pierre Elliott Trudeau, the Canadian host?

Yet if the reality of the Commonwealth is attenuated, the idea of Commonwealth has force, and the world would be the better if that force were stronger. Not necessarily in what Winston Churchill called the "repellent legalism" of the Statute of Westminster, the charter of the Commonwealth, but in the exchange of ideas, the current of collaboration, the sense, however intangible, of a common interest in human survival that finds expression in the almost accidental assemblage of a variety of peoples within a shared history.

Nationalism has been, and is, a dangerously vital impulse for mankind. Whatever can temper it—provided it is not association for aggrandizement—is needed today, whether it be the United Nations, the Common Market, the fading idea of Pan-Americanism—or the Commonwealth. Last May, Queen Elizabeth II, head of the Commonwealth, spoke of the opportunities afforded by the grouping not only to assist its members in a practical sense, but "to break down the defenses between peoples." The need for such an approach is great. The meeting in Ottawa, therefore, is not some kind of cosmic joke, but a sketch, so to speak, of what might, and must be, in a too divided, interdependent world.

Paying the Bill

Since political campaigns are indispensable to self-government and since campaign costs have to be paid by some source, the central question is not how to break the nexus between politics and money. Rather, it is how to make that connection clean and open.

With regard to this stubborn, recurrent problem, the bill passed on Monday by the Senate is worthwhile but it is still an interim measure. Several of its reforms are beyond reasonable dispute. These include, for example, the requirement that contributions over \$50 have to be in the form of checks. Political money passed in cash is, by definition, suspicious. The diversion of campaign funds to private purposes is made subject to severe criminal penalties.

Low ceilings are set on political contributions by individuals. No one could give more than \$6,000 to a single candidate (unless there were a runoff as well as a primary) or more than an aggregate limit of \$25,000 to all candidates in one year.

Such ceilings are desirable to narrow the gap in power between rich citizens and ordinary citizens whether they are financing their own campaigns or contributing to those of others. But large individual contributions are of secondary importance. Most wealthy givers, whether it is Clement Stone giving millions to the Nixon campaign or Stewart Mott giving heavily to liberal candidates, have comparatively unselfish motives; they are concerned with gaining influence for their ideas or seeing one of their heroes in office.

Aside from the Rockefellers, the Kennedys, and a few other families, there is also an inherent limit on the number of families with members who have both the money and the desire to seek political office. A Rockefeller or a Kennedy ought not to be able to overwhelm a financially poorer opponent, but again the occasional multimillionaire candidate is not the critical problem.

The heart of the problem is interest-group financing of the nation's politics. Most substantial contributions above the \$100 level, although they come nominally from individuals, are actually an expression of a cor-

porate, professional, or labor union interest. Oil men and truckers, doctors and steel union officials, military contractors and commercial farmers and ranchers—they and countless other individuals all give to candidates who they think will help or at least not harm their particular interests. Often, they heighten the impact of their contributions by channeling them through a corporate or industry-wide or professional or union fund.

There is nothing illegal or unusual in these financial expressions of group interest. But if the present system of political finance is thought to be corrupting, and Watergate strongly underscores the long-standing belief that this system does debauch politics, then it is this system which has to be changed.

The Senate adopted two amendments which move in that direction, however inadequately. One provides that the \$3,000 limit on contributions would apply to voluntary committees as well as to individuals. Significantly, however, the aggregate limit of \$25,000 would not apply. The AFL-CIO's Committee on Political Education or the milk industry's committee or the medical profession's committee could contribute to hundreds of candidates and various committees. A second amendment would limit the independent spending of such voluntary committees.

What is really needed is a system of public financing to supplant the flow of interest-group contributions. That is the purpose of the plan developed by Common Cause, to be the subject of hearings in the fall. Small individual contributions would still be possible but the interest-group committees would pass from the scene.

Meanwhile, however, the Senate bill deserves active consideration in the House after the August recess. Speaker Albert W. Harris of the House Democratic leadership cannot leave this important matter solely to the discretion of Representative Hays, the idiosyncratic Democrat who chairs the House Administration Committee. Mr. Hays's less than benign attitude toward campaign reform is too well known.

THE NEW YORK TIMES

International Opinion

European Space Efforts

Of greater long-term significance is the general agreement of the countries represented at Brussels to press ahead with the setting up of a new European space agency. With the existing European Space Research Organization and what is left of the ill-fated European Launcher Development Organization as a nucleus, the new organization will gradually absorb most if not all of the new national civil space programmes of the member-countries, and will "internationalize" them (as the conference phrased it). That, at least, is the intention. It has been a hopeless aim in the past, but the time might now be right for a real integration of Europe's hitherto fragmented space efforts.

—From the Times (London).

Commonwealth Meeting

The Commonwealth countries have a duty to themselves and each other to agree at their conference in Ottawa this week upon the outline of the agreements they would like to have with the European Economic Community. This should recognize not simply the needs of the primary producers but also the fact that even within the developing Commonwealth, standards vary hugely and cruelly. A common policy which ignored the needs of Bangladesh while recognizing those of Malta would be unjust and wrong. The Commonwealth's task this week is to advise Mr. Heath on the policies towards the developing world that Britain should pursue in Brussels. The Commonwealth will succeed only if its advice is precise.

—From the Guardian (London).

In the International Edition

Seventy-Five Years Ago

August 3, 1898

NEW YORK—The crowded district on the west side of this city, known as Hell's Kitchen, was in an uproar owing to a murderous fight between the white and colored dwellers of the neighborhood's tenement houses. Beginning yesterday, it lasted until this morning. Two thousand men took part, and men on both sides were wounded before the police restored order. The whites appear to have been the aggressors. Several armed societies were made. A recurrence of the riots is expected.

Fifty Years Ago

August 3, 1923

NEW YORK—President Harding's physicians are today practically ready to announce that all danger is passed and that the recovery of their patient is a certainty. The optimism prevailing among his entourage became manifest today, when, for the first time since his illness, his physicians absented themselves from the hotel for several hours at a time. Time has now become the chief element in the consideration of the President's recovery.



Nixon Seen Sapping His Own Contentions

By Joseph Kraft

WASHINGTON.—One of the most curious features of the Watergate affair is the way the President keeps eroding his own position. The latest example is his decision to allow his former aide, H.R. Haldeman, to use tapes of presidential conversations in preparing testimony for the Senate Watergate committee.

That action undermines the principle Mr. Nixon had evoked in the toughest way to deny material to the Watergate committee and to special prosecutor Archibald Cox. It positively makes it easy for the Supreme Court to rule against the President on the matter of access to the tapes. So easy that there is some feeling that Mr. Nixon may have a joker up his sleeve.

The starting point for all this is the principle of executive privilege. In general, it has been held that the President was entitled to receive counsel from his advisers in confidence. In particular, it has been accepted, as part of the doctrine of separation of powers, that a President was not required to release to members of the other branches of government information about confidential advice. However, because the doctrine of executive privilege is not mentioned in the Constitution, nor grounded in common law, most courts have tried to invoke it sparingly and in a modest manner.

Hardline Position

President Nixon, in contrast, announced in principle a very hardline position with respect to executive privilege and its application to the Watergate scandal. He acted as though executive privilege was more a binding imperative than a matter of discretion to be used in a case-by-case manner. Mr. Nixon's position was that he would be remiss in his duties as President if he allowed even specific documents relating to the Watergate affair to pass from the White House to the investigators. As he said in a July 6 letter to chairman Sam Ervin of the Watergate committee:

"Such a course, I have concluded, would inevitably result in the abdication, and the eventual destruction, of the indispensable principle of confidentiality of presidential papers."

Mr. Nixon applied precisely the same logic to release of the tapes when their existence became known. In a letter of July 23 to Sen. Ervin, he said that the "principle stated in my letter to you of July 6... applies with even greater force to tapes of private presidential conversations." "Accordingly," he added, "the tapes which have been under my sole personal control will remain so."

Exceptions

But even as he has been setting down these hard and fast principles, Mr. Nixon has been making exceptions in practice. Over and over again he has allowed, without resistance, testimony relating to presidential conversations. Former counsel John Dean, special counsel Richard Moore and Messrs. Haldeman and Ehrlichman have all testified to the committee on private meetings with the President. But now it is known that the President allowed Mr. Haldeman to use two of the tapes in preparing his case. That is a clear contradiction of the President's earlier claim, that the tapes have "been under my sole personal control."

The exceptions in practice to the principle of executive privilege are so numerous and important that it has become a question of whether the privilege still exists. Has not the President by his actions in fact waived the privilege? Isn't he in the same boat as a witness who starts to talk and then tries to assert the Fifth

Amendment privilege against self-incrimination? And isn't that a very leaky boat?

These questions are now being asked by lawyers working with special prosecutor Cox and the Ervin committee. No decisions have yet been made.

But it seems very likely that Prof. Cox and the Ervin committee will go into court and urge that they have a right to the tapes of at least some presidential

conversations because Mr. Nixon has, in effect, waived the executive privilege by his own actions. That argument is especially attractive because of its appeal to the Supreme Court.

The court tends to duck constitutional issues rather than to seek them out. The justices are particularly leery of getting involved in a murky fight about the reach of such a nebulous doctrine as executive privilege. So the claim

that the President has in effect waived the privilege is apt to look very good to the justices. It provides them a way of deciding the particular issue without going to the larger constitutional question. Accordingly, it is widely believed that the tapes will eventually surface, and there is a question here whether Mr. Nixon is not hoping they will eclipse all the other serious issues raised by Watergate.

Letters

Watergate Coverage

I thoroughly agree with Fred Klein (Letters, Aug. 1) on the left-wing vituperation against President Johnson and now President Nixon. Who brought us into the Bay of Pigs and Vietnam mess?—President Kennedy. And who is paying for it—his successors!

The Watergate coverage of your left-wing commentators and journalists is paying the way via Watergate to exonerate Sen. Edward Kennedy in the Chappaquiddick affair that has never really been brought to light so that they can drown it as he did the poor girl. Why?—for the 1976 elections! The Democrats are sick with envy and jealousy at the truly remarkable success of our President in the foreign field. (China, Russia, Vietnam) which they can never achieve. It takes a "Tricky Dick" to deal with tricky foreign politicians and at long last the U.S.A. has one *à la hauteur* we need not be ashamed of but journalists must sully ad nauseam. Every adult knows that there are and always have been tapes and recordings in every country of the world.

BETHELLE BUEL SIMON, Paris.

I resent the insinuations of F. Klein's letter (Aug. 1) as well as the antics of Jane Fonda in Hanoi. He overlooks (they did not tremble) the brave battle put up by the Jews in the Warsaw Ghetto against overwhelming Nazi armored strength. Neither the Kleins nor the Fondas understand America. I happen to be a lifelong conservative Republican who voted for Mr. Nixon. I feel it is a democracy such as ours that no one, be he clerk or President, is above the law. What Kleins and Fondas are blind to is that every political permission is and should be tolerated in the U.S.A. Even extreme nut cases. The fear should be tolerated in the U.S.A. political climate that existed in the Third Reich or present-day Communism. Thank God for the Watergate trials. For I prefer the excesses of the press to the excesses of political power.

ROBERT LEE GROES, London.

Recent contributors to the Letters section have criticized the Watergate coverage of the IET. This criticism is entirely unjustified. The Senate and our press have not only the right but the sacred duty to defend the common decency of our people. On this issue our people will never split along party lines.

C. D. WINANT, Paris.

Complete and comprehensive coverage of the Watergate hearings and happenings is not only fascinating, but essential. The Watergate Senate hearings are presenting the facts to the people, and various senators repeat the concept that the American people will be the ones to judge the truth of what they are seeing and hearing.

Complainers about continued and comprehensive press coverage are no doubt among those who objected strenuously to the interruption of daytime soap opera TV programs and quiz shows by the continued TV coverage of one of the most fascinating programs to appear on television.

JANICE DICKSON, Menlo Park, Calif.

The readers who have been complaining about the IET coverage of Watergate seem to be missing the point that the Watergate mess was not created by the

press but by the Nixon administration. If they have any complaints, they should write to the President.

ROBERT J. YAES, Geneva.

Disabled Veterans

A thought for your readers: The Veterans Administration, on the front wall of whose Central Office in Washington appears in bronze letters this famous quotation, "To care for him who shall have borne the battle and for his widow and for his orphan," is now proposing a new disability rating schedule which in effect would mean drastic reductions in compensation to the disabled Vietnam veterans. The battle casualties, as a group, are being charged with the inequitable offense of becoming a costly financial burden on the nation they served, the excuse being that America must first use billions to repay Hanoi for the damage our military forces have inflicted. Disregarding the rights or wrongs of the unpopular conflict, for a country in the line of duty is still disabled regardless of the conflict in which his injury was sustained, will all citizens as well as armed forces personnel please write to the appropriate authorities protesting this impending betrayal.

RAYMOND LIPSON, Disabled American Veterans, Post 122, Lugano.

Greek Referendum

I for one find it astounding how many people accept the results of the recent referendum in Greece as valid. Editorialists are analyzing the "result" as though it were an election in a democratic country, commenting on "peasant support," "bourgeois discontent." Visible fraud such as no "no" ballots being available or no curtain for secrecy are described as minimal by "observers" in Athens, and what's a little fraud compared to a massive 90 percent majority? But the point is the counting of the votes. If there is one candidate and he has the guns and he counts the vote, the only question is what percentage he will choose. Obviously for foreign opinion he chose well: 90 percent sound Communist and 60 percent is hardly worthy of a dictator so loved by his countrymen. A little less naïveté, please.

JAMES BROCKT, Geneva.

Airport Security

Concerning aerial hijacking, the American Airline Pilots' Association (ALPA) deserves public gratitude for sooting lack of security at many European airports as a fundamental cause of such incidents as the recent destruction of the Japan Air Lines Boeing-747. Not only are airport authorities to blame, but also the airlines. They seem content to play Russian roulette with passenger and crew lives for the sake of economizing on ground security checks. At London-Heathrow's Terminal No. 2 (European lines), for instance, where security must be ordered and paid for by individual airlines, only one or two of the many lines using this facility are willing to bear the expense of regular checks on emptying passengers. Others, even well-hijacked and bombed airlines, prefer to be penny-wise.

Perhaps, given the cost of a 747, the insurance companies may now begin pressuring for such checks. But times will truly change only when passengers themselves take a hand by insisting on their own safety. For example, one could imagine some

new-found zeal at JAL if the passengers aboard its ill-starred 747 collectively sued both the airline and Amsterdam airport authorities for gross criminal negligence. For that is what failure to check boarding passengers and baggage at airports comes to, given not only the many violent incidents as travelers have had to endure these past years but also the flagrantly positive fact that in the United States since January, 1973, when new stringent security procedures were applied at all airports, there hasn't been a single hijacking in an area that immediately previously was averaging three a week! So much for the argument that security checks are useless. Nevertheless, the U.S. lines complain endlessly about the cost of these checks. And so the government is now considering abandoning these more effective measures as too expensive. Which proves that if the majority of air travelers don't wish to get blown up at Benghazi, then they must insist that governments, airport authorities and even airlines be a little less happy-go-lucky in the domain of public safety in the air.

THOMAS R. BRANSTEN, Grand-Saconnex, Switzerland.

Israeli Terrorism

On March 30 in a letter in this column I referred to Israel's use of assassination units in Europe. This prompted a reply from a woman in Israel calling this an old lie invented by the Western press. Israel has now officially announced that it will kill anyone anywhere that it judges to be a terrorist. Though this is an extraordinary declaration for a state to make publicly, it is the way many states behave. The use of torture by the Israeli Army in the occupied territories, killings abroad, and indiscriminate bombing of refugee camps is not limited to Israel; the U.S. has used all three methods in Vietnam on a much larger scale, to mention just one other example. No one has the right to expect the State of Israel to behave more morally than other states. The problem arises in that the very argument for the state of Israel as well as the right to a special code of conduct has a moral basis—the monumental suffering of the Jewish people in the West. What one could expect is that once the Israelis learned the lesson that might makes right, they would have at least abandoned the moral pose that they created a morally superior state based on superior moral rights. The sad part is that no people have made a greater contribution to humanism in this modern world, and while some might feel that turning their backs on this tradition was a necessity, it is a loss for the world.

MARTIN HAIN, Geneva.

In the Air: U.S. Voting Reform Idea

By William Buckley Jr.

NEW YORK—Here and there legislators are actually thinking in terms of reform: not based on the lessons of Watergate. Senators Schweiker, Pennsylvania and Mondale, Minnesota have introduced complicated bills the burden of which is to cut down the number of individuals who can put into political campaigns, and let federal government, which is code word for the taxpayers, the bill on a matching basis.

The senators are off really to a very poor start. Senator Mondale has said that country must stop "putting candidates up for sale to highest bidder." This would, of course, mean that Senator Mondale would be a higher price than he ran for the Senate from Minnesota than his Republican foe.

And Senator Schweiker that his bill would "insure a future Watergate will not happen." This surely is grandiose miss the point of the Water that did happen. Never was much corruption committed in many in search of so little as the critics of Mr. Nixon, I ever resolutely they seek economic motivations, are perately hard put. Mr. Clare Stone of Chicago has contended so much money over the year Republican causes that the order is he is not now so simultaneously as Ambassador, England, Russia, France, and the State of Israel. But it is just stays there in the making money in the business, and hasn't asked body for anything.

A Mystery

Disinterested political philosophy is something that rarely mystifies many Americans. Mr. Robert Abplanalp, not a financial contributor but a friend of the President, is a little untouched by scandal any kind. All that money talk about—\$350,000—that skimmed off the funds of Committee to Re-Elect the President, for the benefit of the Senate, can hardly be the result of an economic profiteering, alleged arrangement by which families of the convicted were to receive \$1,000 a week while the breadwinner was in jail, is hardly raffish. Most of money obviously went to law and anybody who thinks \$350,000 is an implausible sum money to pay lawyers of people is someone who is fully innocent of the cost of legal business.

If Mr. Schweiker wants to vent future Watergates, let him for him to keep his eye on it. The narrative aspects of office the glamour of power. It is the sake of power that the set up at night, scheming to

My own sentiments are to John Mitchell's, that the native to Mr. Nixon's re-election was too horrible to content. To suggest that cutting allowable contributions to a political campaign will eliminate corruption deserves the with which Dr. Wertheim missed the argument that prohibition of couches would inate adultery.

Clear Grounds

Clearly there are ground reforms of a practical Presidential campaigns are too long, and Messrs. Schen and Mondale would dwell a candidate from their native party heads to scheduled presidential nominating elections in 1976 for mid-September. They would do well, moreover, come clean—in the spirit of target—and label their bill tax on the American public elections.

Since it is demonstrable the tax base affects even the very lowest brackets don't they renege the proceeds to go to fund the campaigns? In that citizen who did not want to could stay home. There, it suggested amendment to Schweiker-Mondale bill.

Beyond that, I would we a joint resolution to Dethrone Richard Nixon. Ervin, he said the other day that target was the biggest the America since the Civil War, bigger, we are to understand the two world wars, the Vietnam War, it assassination of Kennedy, the rights revolution—one had feeling that the spirit of Watergate, which is a form of permissiveness, has infected our favorite country lawyer, and is a very sad development, the worst since the fall of the Roman Empire.

In the U.S. V. Reform 6 Years of Rejection Slips

By Herbert R. Lottman

When Vincent Carter arrived in Bern 20 years ago children pointed at him in the street; even adults stared at him. He found that he had a considerable amount of answering questions about him, including how he was doing in Bern, the quietest of cities.

An Option

"Without realizing it," he recalls, "I'd been writing all the while, ever since high school." He also took the expatriate's option. "I sailed on the old life de France, got off at Le Havre expecting to set up shop in Paris. But I didn't like Paris, so after a month I went to Amsterdam. Two months after that I found that I didn't like Amsterdam either, so I went on to Bern for a short visit with friends I'd known in America. He is still there."

Because his book fitted none of the usual categories, Carter found it impossible to interest a publisher in it. While 16 years of rejection slips piled up, Carter went on working. He wrote a mammoth (275,000-word) account of his childhood with parents barely out of childhood themselves. "The Primary Colors." More rejection slips. A friend in publishing would explain: Offbeat books and their authors frighten publishers, while manuscripts five times normal length never even get read. Carter's friend finally wrote an essay on the trials of an unpublished writer, which appeared in an American cultural quarterly and then in *Intellectual Digest*, together with extracts from "The Bern Book." This caught the eye of a publisher.

Vincent Carter, whose "Bern Book" has just been published in the United States.



Unperturbed by the slow action, indifferent to the possibility of success, Vincent Carter goes his own way. At 49, with his hair turning gray, he is no longer the outgoing, café-haunting expert on jazz. He spends a lot more time in his "two lovely drafty rooms" in Bern's arched old town, near the celebrated clock tower, surrounded by potted greenery, his windows facing the tiled roofs of one of Bern's oldest streets. He pays \$30 a month rent. His life style has typed him as a mystic. "But no tricks," he assures the interviewer. "No drugs." If he takes late-evening walks with his long-time friend Liselotte, he is definitely not the person a visitor can count on as guide to the in-

places of town, such as they are. His students—he survives by giving English lessons—adore him. He thinks it's because the lessons are "a little different." "I really get to know my people. They become friends and stay with me for years. They send their brothers and sisters to me. When they get married, they bring their husbands and wives and later their children. They come unannounced, as if I ought to be there when they have something important to say, a decision to make, or issue to take with some statement I made about life years ago and have long since forgotten."

A Trip

And recently he made a trip home. Not in time to witness the death of his father. His mother hadn't wanted him to worry. "She'd have gone the same way if friends hadn't sent word. We spent seven weeks together talking and laughing a lot, preparing ourselves for the journey. A man with a horn played at the funeral, quiet and easy, like a fine jazz man, in perfect taste. "Everything back there had changed. The people and the houses were gone, replaced by a superhighway. Perhaps it was when I got on the plane for New York that I realized that nothing had been lost. I had written it all down, the world of Mom and Dad young."

Carter, who believes in the eternal, in a time which is no time and a place which is no place, is confident that "The Primary Colors," so far unpublished, won't be lost.

Mr. Lottman is the friend referred to in the interview. He wrote the introduction in Mr. Carter's book.

As the Family Feuds

Sifting Through the Picasso Legacy

PARIS, Aug. 2 (AP).—Pablo Picasso left such a vast collection of his own works that experts and notaries sifting through mountains of pictures and other works have barely reached the half-way point of an inventory, four months after the artist's death.

Picasso's principal heirs, his widow Jacqueline and his son Paulo, have had to ask the Finance Ministry to extend the six-month legal deadline for submitting a complete inventory for tax purposes.

Jacqueline Picasso, 46, and Paulo Picasso, 52, the son of Picasso's first wife, Olga, may not know for years the true value of their inheritance and how much of it they legally own.

They face legal challenges from Picasso's three illegitimate children, which are likely to grind slowly through every avenue of appeal. Meanwhile, Jacqueline and Paulo Picasso will be allowed to pay the inheritance tax on the artist's estate in the form of pictures and other art works, thus avoiding a massive sale which would depress the value of Picasso on the world art market.

Negotiations Jacqueline and Paulo Picasso also are negotiating with the Finance Ministry to exempt from the taxable estate Picasso's collection of works by other artists, which they donated to the state-owned Louvre Museum the day after Picasso died on April 8, 1973.

The multi-million-dollar donation of 53 paintings ranges from some ancient masters through all the major French impressionists to Picasso's friends and contemporaries, Matisse, Braque and Miró.

The donation of the "non-Picasso" collection was made in accordance with a verbal wish expressed by the artist shortly before he died. The only condition was that the collection should never be dispersed but remain exhibited in a single room of the Louvre.

Jean Chatelain, director of France's state-owned museums, said it might be well over a year before the donation can be shown to the public.

Grasse Court Apart from the donation wish, Picasso left no will. A recent French law recognizes an automatic right of inheritance for illegitimate children, provided paternity is judicially established before the child's 23d birthday. One court in Grasse has already rejected the claim of Pi-

casso's illegitimate daughter, Maya, born of his liaison with Marie-Thérèse Walter, on the ground that Maya has passed the age limit. The claims of the other two illegitimate children, Claude and Paloma, born of his liaison with French painter Françoise Gilot, may fall to cross their first legal hurdle on the same grounds, since both are over 23.

Attorneys for Maya, Claude and Paloma have given notice that they intend to argue the case all the way up to France's equivalent of a supreme court. At the same time, all three have cleared the way for the Louvre donation by approving it in advance of the distant final judgment on their claim to Picasso's remaining estate.

Jacqueline and Paulo Picasso are not on speaking terms with

Maya, Claude and Paloma, and lawyers on both sides of the battle say they doubt that an amicable out-of-court settlement is likely.

"In the absence of such a settlement, the various cases and their appeals could drag on for many years," one of the attorneys said.

Issue of Principle

Not only the huge fortune represented by the Picasso pictures is at stake. Claude and Paloma, in particular, are also claiming the moral right to "protect" their father's inheritance, raising an issue of principle which Jacqueline and Paulo Picasso are determined to fight at all costs.

Meanwhile, a team of art experts and legal officers is at work in Picasso's last home in Mougins,

and in various other hideaways, sifting through huge stacks of paintings, sculptures, engravings, drawings and pottery works left by Picasso.

They include many important works unknown to the public. Some are early works which Picasso kept with him throughout his life. Others are unfinished. Most of the pictures and sculptures have never been exhibited. "The experts have been working on the huge job of cataloging Picasso's own works for three full days a week ever since he died," a friend of the family said. "At the moment, they are barely at the half-way point and the final list may not be ready before the end of the year."

"And, of course, at present no one can even guess at the value of the whole collection. It is even doubtful whether any global value can ever be put on this enormous accumulation of works by the century's greatest artist."

Hammer Gives Moscow Museum A 1925 Painting by Raoul Dufy

MOSCOW, Aug. 2 (UPI).—U.S. oil millionaire Armand Hammer gave a French painting from his own art collection to the Pushkin Museum in Moscow today.

Mr. Hammer handed over a 1925 work by Raoul Dufy, "The Triumph of Amphitrite" during a short ceremony at the museum. Last year he gave a Goya painting to the Hermitage Museum in Leningrad.

Mr. Hammer, 74, chairman of the Occidental Petroleum Corp., recently signed two multibillion-dollar business deals with the Soviet Union for development of gas reserves and chemical fertilizers. His first deals with the Soviet Union were made in the 1920s when he exported badly needed industrial goods and took art treasures in payment. He went on to become one of the foremost art collectors in the United States.

The Pushkin Museum recently displayed several paintings on loan from the Hammer collection.

"It was then that I was told there was only one small painting by Dufy in the whole of the Soviet Union," Mr. Hammer said. "I decided that a museum as fine as the Pushkin should have one of the finest of Dufy's paintings."

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Entertainment in New York

NEW YORK, Aug. 2 (UPI).—This is how the New York Times rate new films and stage productions:

Cahill United States Marshal. "John Wayne is 'The New York Times' Vincent Canby says, 'Jackie Western of drowsy pace.' Singing that Wayne, at an official 66, has reached the 'awkward age.' Canby doubts that his performance in the title role here is tough old law officer whose sons, Danny, 17, and Billy, 12, assist in robbing a bank on dad—as is his wont—is 'a chasing badmen' will help career. 'Unlike most people as age, Wayne is not shrinking and shriveling, nor is he being in any way decrepit. Instead he is swelling up like a bloon. He is not only getting older and rounder, he is also getting visibly lighter. He sort floats through this movie with a lightness of touch.' Canby is that director Andrew V. McLaglen and writers Harry Julianik and Rita M. Fung perhaps causing the new limitations their star, 'spend a good deal time trying to turn a conventional Western into a children-peril movie.'"

"The Last American Hero" is, as Roger Greenspun of the Times, "worth seeing." Directed by Monty Johnson and written by William Roberts (based on Eschsché articles by Tom Wolfe), Greenspun says the film, while full of automobiles and races, is with "human relations, the choice between a private and a public life, with the means of imprisonment, with the ways in which a souped-up hot dog is like a Carolina moon-mer's still." The film has as its hero, Junior Jackson (Jeff Bridges). He's a kid who takes the moonshining, Communist to his trade and almost ends with the revenue agent.

"King Lear" which has opened for an August run at Central Park's free Shakespeare festival, got mixed reviews. The Associated Press drama critic, William Glover, described the play, directed by Edwin Sherin, as "a dramatic Humpty-Dumpty." "King Lear" is one of the theater's great

challenges, so the festival cohorts must be admired for an attempt that is only partially realized," Glover writes. He says of the principal actors in the play: "Earl Jones portrays royal exasperation and repentance with an assortment of burps, hacking coughs and flailing arms preeminently denotive of senile decay. All done, however, at a vocal intensity that leaves scant space for emotional development. As wayward daughters Goneril and Regan, Rosalind Cash and Ellen Holly are statuesque but ill-suited to demonic tragedy. Put upon Cordelia, in the person of Lee Chamberlain, wanly reflects misunderstood virtue." Mel Gussow, *The New York Times*: "Jones is giving one of his finest performances... there is, however, an unevenness about this production." Patricia O'Haire, *Daily News*: "A thoroughly absorbing study—beautifully acted, intelligently staged and thoughtfully conceived."

"Jonescopade" is playing at Greenwich Village's Cherry Lane Theater, but isn't exactly a play. Howard Thompson says. It is, rather, "a brilliantly devised crazy-quilt of flying bits, pieces and characters from Eugene Ionesco's contributions to the Theater of the Absurd." Thompson has only praise for the 80-minute "Jonescopade" and the New Repertory Company, which project "a beautiful, hilarious show... nimbly stitched, with four new tunes and deft choreography and played to the hilt—and lunatic fringe." "It snags, crackles and spins across the stage and into the main aisle, somewhat like a Toulouse-Lautrec version of 'Hellzapoppin'." Thompson says. "The sketches and chatter make no sense whatever and all the sense in the world, which is Ionesco's credo of what fools we mortals be."

K. Pornography Raid

LONDON, Aug. 2 (UPI).—Scotland Yard's obscene publications squad yesterday seized allegedly pornographic books and advertising leaflets in a series of raids and near London, and in Wales, officers said. Five men were held and questioned.

SHARPS AND FLATS

LONDON.—Trumpetman Dixie Gillespie and his quintet will give concert at the Queen Elizabeth Hall tomorrow (Aug. 4) at 7:30 p.m. If you can't catch them at the concert, the group is at Ronnie Scott's every night until next Saturday (Aug. 11). Singer Eric Burdon at the Marquee club tonight (Aug. 3) and tomorrow. Old-time jazz great Albert Nicholas, the New Orleans clarinetist, is giving a recital night (Aug. 3) at the Victoria and Albert Museum at 7 p.m.

MADRID.—The Delta Rhythm Boys are at the Florida Park Club every night through next Friday (Aug. 10).

STOCKHOLM.—The Humphrey Bogart rock group at the Mosebacke tomorrow (Aug. 4) at 9 p.m.

OSTEND, Belgium.—Controversial French rock star Michel Polnareff at the Noordzeefestival Auditorium tomorrow (Aug. 4) at 9 p.m.

PARIS.—SRO crowds at the Club St. Germain to dig jazz greats. Clark and his trio. While another old-time jazzman, saxophonist Benny Waters, is at the Caveau de la Huchette, and in the same neighborhood, bluesman Memphis Slim still belting them out the Trois Maillets. And there is a free concert on the first level of the Eiffel Tower at 4 p.m. today (Aug. 3) by the American Musical Ambassadors.

AMSTERDAM.—Arnold Klose trio with singer Locki Knol every night at the Kleen Bellevue.

TABARKA, Tunisia.—Master of the sitar Ravi Shankar is the major attraction at the festival this week.

TAORMINA, Sicily.—The Stuart de Silva trio is at the Mazarò Palace at 9 p.m. every night.

The Clark Terry big band ends its three-week European tour tomorrow (Aug. 4) at the festival in Molde, Norway.

Now, after the Stones, it's the turn of the Moody Blues group to set up its fall European tour in September and October. They will be in England, Sweden, Denmark, Germany, Switzerland, Belgium, France and Holland.

This week's top singles records are, in the United States: "Yesterday Once More" by the Carpenters; and in England: "I'm The Leader of the Gang, I Am" by Barry Glitter.

—FRANK VAN BRAKLE.

Peking!

Air France announces the first direct link between Peking and Europe.*

At 9 p.m. on September 6th, Air France flight AF 178 will depart from Paris, destination: Peking. Thus inaugurating the first regular Peking-Europe service on any western airline. There will be two round-trip flights per week.

One on Thursdays with a sole refueling stop at Karachi (13 hours, 20 minutes). The other on Mondays with stops at Athens, Cairo, Karachi and Rangoon. Air France Paris-Peking: An historic beginning.

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France Lifts Discount Rate 1 Point to 9.5%

Reliance on Credit Tool Criticized by Bankers

By Cad Gewirtz

PARIS, Aug. 2 (AP)—The wave of higher interest rates sweeping the capitalist world hit France today.

The move by the Bank of France raising the discount rate one point to a postwar high of 9.5 percent—was not unexpected.

But some bankers expressed dismay that France has decided to fight inflation through raising interest rates—as have most other major nations—rather than through more direct measures aimed at reducing overall demand for goods and services.

The signal that monetary policy would play the major role in the fight on rising prices came last week when the government announced that the expected budget for 1974 would be balanced, but at a level 12.5 percent higher than this year's.

Critics of this policy charge that what is called for is a budgetary surplus. They argue that the inflationary rise in the government's receipts—which will allow it to increase spending while maintaining a balanced budget—should in part be from rather than fast back out to fan inflationary pressures.

The critics also note, however, that except for West Germany—which has put up the toughest program combating both credit and tax policy—France is following the pattern set in the United States and Britain, whose anti-inflation policies are aimed at avoiding an economic recession, and have not been notoriously successful in slowing the increase in prices.

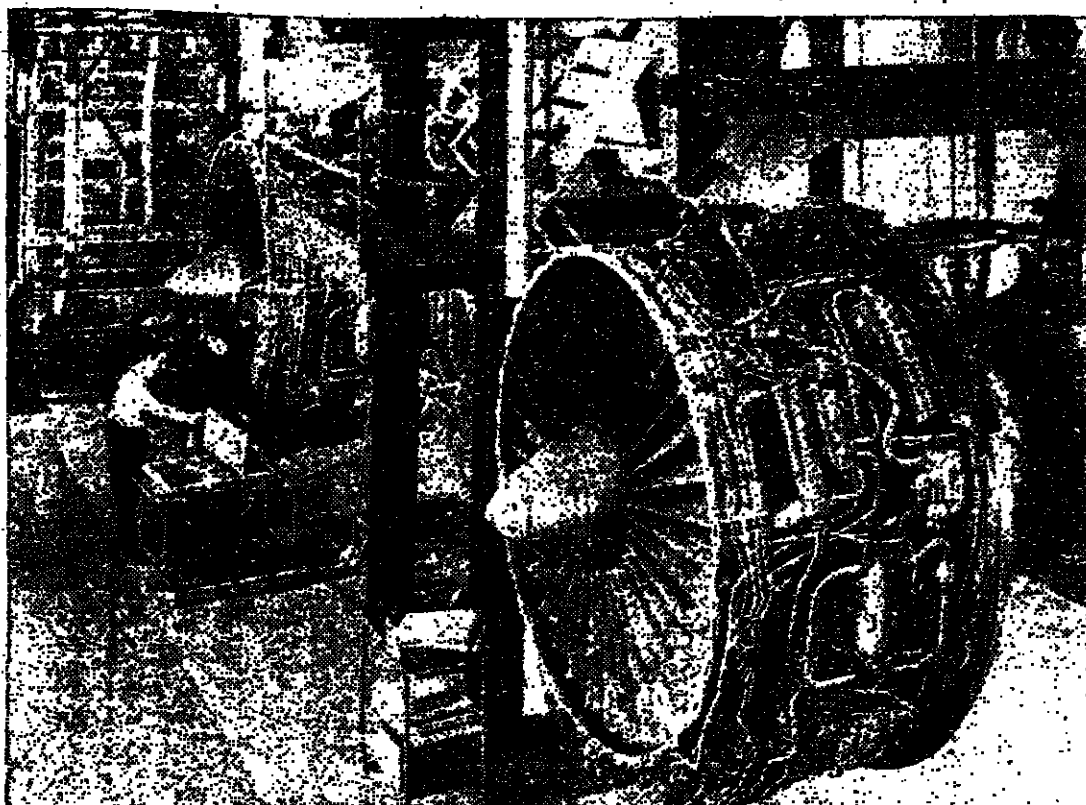
The rise in the bank rate here is largely psychological as it has only limited impact on interest rates. In effect, the rate is a penalty charge for those commercial banks forced to borrow from the central bank. Thus, it is pegged above the money-market rates, which the bank manipulates through its open-market operations.

Of late, however, the money-market rates have climbed above the discount rate, so today's move in part is simply a catching up for what has already occurred. At the same time, the increase signals that money-market rates will be moving higher. The cost of day-to-day money has risen to 8.75 percent from 8.125 percent a week ago and banks are expected to increase their basic lending rates within the next few days.

The central bank also increased the rate it charges on loans against securities to 11 from 10 percent.

The rates last moved on July 5, when they rose a full percentage point. Since then, the government reported that the retail price index for June had risen 0.8 percent and for the year was up 7.4 percent.

The figures also indicated that France was rapidly closing the gap against its major trading partner. In April, the year-to-year gain in prices here was reported at 6.7 percent while Germany's was put at 7.5 percent. At June, however, the gap was halved, with the Germans showing a 7.9 percent annual increase.



CULPRIT—RB-211 engines, shown undergoing final tests, broke Rolls.

U.K. Hits Rolls-Royce Board for Collapse

LONDON, Aug. 2 (AP)—A British government investigation report published today blamed top management for the collapse of the old Rolls-Royce company in 1971.

The report, by the Department of Trade and Industry (DTI), singled out two members of the board of directors, Sir Denning Pearson and Sir David Huddle, for a "rash commitment" to build the RB-211 engine for Lockheed Aircraft's TriStar.

Rolls-Royce won this contract by underbidding all rivals and promising to produce a revolutionary kind of engine in record time. In the end, it could not be

done. Development costs soared and production of the engines under the terms of the original contract with Lockheed would have bankrupted Rolls-Royce.

Injections of government funds were not enough to keep the company afloat and it went into receivership. Britain took over the aero division, the U.S. government saved Lockheed from bankruptcy and the engines were eventually produced under new terms.

Sir Pearson and Sir Huddle are both aero engineers. The report said they had the technical knowledge to analyze the low contract bid properly and that "they failed properly to discharge the responsibilities of stewardship

which rest upon the directors of a public company."

There was no similar criticism in the report against DTI officials who at the time encouraged Rolls-Royce to fight for the Lockheed contract.

After the firm declared bankruptcy in 1971, official receivers split off the car-making portion of Rolls-Royce and preserved it as a separate enterprise.

Today's 500-page report said none of the firm's other problems "would have given rise, immediately or remotely, to the burden which submerged the company." But the size of the RB-211 project "was seriously underestimated," the report said, leading to "the appalling consequences."

Though U.S. States Opposition to Plan

SDR Link to Development Aid Gaining Favor

By Lewis H. Diuguid

WASHINGTON, Aug. 2 (AP)—Representatives of the developing countries that attended sessions here on monetary reform said yesterday that acceptance is spreading for the proposal to link distribution of Special Drawing Rights to development aid.

Chile's Alfonso Inostroza said a consensus including the United States accepts the principle. However, U.S. Treasury Under Secretary Paul A. Volcker said Tuesday that the U.S. position was still to oppose the link and that "there is a lot of recognition of the wisdom of our position."

Both the Chilean and the U.S. statements appeared aimed at enforcing their own positions.

Mr. Inostroza shared a press conference at the International Monetary Fund headquarters with Argentine central bank president Alfredo Gomez Morales. Mr. Morales was more reserved on whether the consensus of the developing countries had extended to the industrial states. At the UN conference on trade and development held in Chile last year, the U.S. position shifted

ed from outright opposition to cautious interest.

But Mr. Morales described the position voiced by U.S. Federal Reserve chairman Arthur F. Burns in the two-day meeting ended yesterday as "too orthodox" and still laden with reservations on distributing the SDRs as development aid.

Indian Finance Minister Y. B. Chavan told United Press International that while many developed countries accepted the idea, opposition existed.

The Argentine and the Chilean were in complete accord that the monetary crisis that provoked the meeting "did not arise because of the developing countries." They put the blame entirely on the industrial nations and said that the consequences, in the form of unstable prices and exchange rates, fall heavily on the blameless.

On the debt question, Chile for

the last two years has sought renegotiation of more than \$3 billion it owes abroad. Mr. Inostroza said the meeting last month of Chile's creditors was hopeful for Chile and he expected talks with the United States to resume this month.

"Creditor countries must understand that renegotiation of debts is a question of redistribution of income" from the more favored to the less favored nations, said Mr. Inostroza.

The developing countries have shown great frustration at their inability to participate in monetary reform decisions. Their inclusion in the Committee of 20 at last year's annual meeting of the IMF was an attempt to accommodate that frustration. However, the third-world delegates still feel that the major nations are not taking their views closely into account.

Brazilian Finance Minister Antonio Delfino Netto noted that the Portuguese-speaking nations might be able to prevail on one eventual decision to rename the Special Drawing Rights.

One proposal, he noted, was International Currency Unit, or ICU. But, as that acronym in Brazilian Portuguese means "rand," Brazil will push for International Monetary Unit instead.

High Rates Favor Dollar, Sterling

LONDON, Aug. 2 (AP)—Both the dollar and sterling continued to rise today against European currencies under the pull of relatively high interest rates.

Though France raised its discount rate, the impact on the franc's exchange rate was hard to discern.

The dollar rose to about 2,230 deutsche marks, its highest level since July 16 and up from 2,205 DM yesterday. Sterling was about unchanged at 588 DM.

Sterling declined modestly against dollars to \$2,515 from \$2,515.

The Bundesbank continued to support the dollar in Frankfurt, buying a token \$7.8 million. This may indicate that the central bank wants the dollar-mark rate to go higher, some observers believe.

The easing of short-term Euro-

British Reserves Fall \$385 Million

LONDON, Aug. 2 (AP)—Britain's official reserves backing the pound suffered their biggest fall in a year last month, dropping \$385 million to \$6,622 billion, the Treasury announced today.

The decline, despite receipts totaling \$800 million from borrowing abroad by public sector bodies, broke a series of six consecutive monthly rises and was the worst fall since the \$600 million drop in July 1972.

Government sources said the primary reason for last month's decline was the defense of the pound in foreign exchange markets. The Bank of England is known to have dipped heavily into the reserves to buy back pounds and support the rate.

Without this action, the pound would have slipped further in international markets. The currency has now lost some 17 percent of its buying power since December 1971.

One Dollar—

Aug. 2, 1973
LONDON (AP)—The rate of closing the dollar for the dollar here

	Today	Prev.	Chg.
Spot (\$ per £)	2.515	2.515	—
Belg. fr. (A)	38.175	38.2	+0.025
Belg. fr. (B)	25.825	25.8	+0.025
Denmark mark	13.675	13.65	+0.025
Dutch guilder	3.715	3.725	+0.010
Escudo	20.5	20.5	—
FF (A)	4.17	4.15	+0.02
FF (B)	6.885	6.885	+0.02
Guillemet	3.575	3.57	+0.005
Irish pound	4.25	4.25	—
Italian Lira (A)	915	915	—
Lira (B)	575.75	575.5	+0.25
Peseta	56.75	56.75	—
Schilling	13.75	13.75	—
Sw. krona	4.05	4.05	—
Swiss franc	2.54	2.54	—
Yen	244.5	244.5	—

* Percentage change against the dollar from central rates set by the 1971 Smithsonian agreement as calculated by Morgan Guaranty Trust Co. The figures are based on currency quotations in New York.

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U.S. Bankers Troubled by Rate Disparity

Lend at 8 3/4 Percent But Borrow at 10.4%

NEW YORK, Aug. 2 (Reuters).

—The ever increasing volume of arbitrage activity created through the continuing wide differential between the prime lending rate of commercial banks and other money-market rates is causing growing concern in the banking community here.

It is becoming more and more the practice for a corporation to borrow from its bank at the prime rate at 8 3/4 percent and then use the funds to buy a certificate of deposit (CD), currently yielding 10.40 percent for three months. Banks sell CDs in order to require more funds to meet their lending commitments.

According to banking sources, this "recycling" of money has been the root cause of the unhealthy aggregates over the past few months. One source asserted that it is "making a farce" out of the Federal Reserve's tight monetary policy.

The source said that it appeared that the Fed had underestimated the growth of the arbitrage movement, and all the indications are at present that the Fed "will continue to rely on theories rather than adopting a more empirical approach to its money management."

The Fed decides to act to diminish the level of arbitrage activity, it has two ways in which to act, the sources said.

It could allow the prime rate to move up as swiftly as possible to its proper level in relation to other money-market rates, or it could switch from a restrictive to an expansionary monetary policy.

The latter option would have the effect of reducing the interest rate structure, and eliminating the differential. However, it would also have the effect of fueling inflation, which the Fed is trying, unsuccessfully in the view of most sources, to combat through its present monetary stance.

The sources said that while the prime rate has been "painfully" inching its way up in quarter-point moves, the return on CDs has been able to outpace the advance.

William Griggs, economist at Lehman Brothers, said the Fed should allow the prime rate to "move to 15 percent" as quickly as possible to eliminate the differential.

U.S. Wholesale Prices Off, but Caution Voiced

By Peter Milius

WASHINGTON, Aug. 2 (WP).

—Wholesale prices fell 1.4 percent last month, but administration economists warned today that they either already were or soon would be back up to their old levels and beyond.

The July drop came almost entirely in the farm and food sector and was due to the president's June 13 price freeze and the placing of export controls on key farm commodities.

"Both of these influences were temporary," Herbert Stein, chairman of the Council of Economic Advisors, cautioned. The food price freeze was lifted on everything except beef on July 18 as a first step toward phase-4 of controls, and since then, Mr. Stein said, "many farm product prices have risen to exceed not only the July but even the June levels."

In addition, he said, "industrial prices will begin to rise again when the freeze on them ends on Aug. 12."

"In fact," he went on, "we should expect several months in which the indexes will show fairly large price increases."

He said it is his belief, however, that "the policies being followed will bring us, after a period of price bludge, to a condition of reasonable price stability."

The decline in the whole price index—the 1.4 percent—was after seasonal adjustment—was the biggest in any month since 1948.

The Labor Department said in its report that farm and food prices fell a seasonally adjusted 4.6 percent, the most in any month since it began keeping records in their present fashion in 1947.

Wholesale prices in the remainder of the economy—industrial commodities—prices, which had gone up more than 1 percent each month since January—

vent up only 0.1 percent, seasonally adjusted, in July.

Almost all the farm and food price fall-off was due to the purchasing of animal feed prices, particularly the price of soybeans and various soybean products.

Corn and other feed grain prices, meanwhile, have risen well above June levels. But Treasury Secretary George P. Shultz told the Joint Economic Committee today that "we have no plan at this point to institute export controls on the new crop."

The July decline was the first in the wholesale index since last October but still left prices 12.7 percent above a year ago.

Also involved in the investigation of the company's 1971 and 1972 real estate dealings is John B. Falver, the vice-president under Mr. Walter, whom he succeeded briefly as head of the company until he resigned "under duress" March 8 and was replaced by E.T. Gravette Jr., as caretaker president.

Company officials say their investigations "revealed that a substantial portion of the transactions undertaken by them while reported to be profitable, were, in fact, not profitable. Many transactions were no more than a sham."

Other soft spots on the active list included Northwest Airlines, down 1 to 21 3/4, and International Telephone & Telegraph also off 1 to 33 1/4. ITT announced an increase in the quarterly dividend to 35 cents from 31 cents.

A number of oil issues also surrendered more than a point. Atlantic Richfield fell 2 to 83 7/8, Exxon 2 1/8 to 92 3/4 (ex-dividend), Phillips 1 1/4 to 53 3/8, and Standard Oil of California 2 to 89 3/8. However, Standard Oil of Ohio rose 1 1/4 to 108 1/2, and Murphy Oil 1 1/8 to 58 1/4. Motron were fractionally mixed.

Prices eased in quiet trading on the American Stock Exchange as the Amer index dipped 0.01 to 33.33.

Hospitality Motor Inns, the most active stock, lost 1/4 to 15 3/4. However, Synrex rose 2 1/4 to 99 1/2.

In the Over-the-Counter market, the NASDAQ industrial index gained 0.30 to 100.71.

Bond prices closed higher. However, the rally, which proved too vigorous for a spell, was short-lived and for most of the afternoon prices were in retreat from their earlier highs although some issues still managed to hold fair-sized gains.

G & W Buys into Bulova Watch

Gulf & Western Industries has acquired 384,800 shares of Bulova Watch Co., or slightly under 10 percent of the outstanding stock between Dec. 1, 1971, and last July 28. The bulk of the shares were acquired during an eight-day period ended July 26. G & W has informed Bulova management that the purchase is "strictly an investment." They were purchased at a total price of \$8.01 million, or an average price of \$15.62 a share. G & W emphasizes that it fully supports Bulova management, that the purchase was not a prelude to a take-over, and that at no time will the investment exceed 20 percent.

U.K. Engineering Output Rising

Britain's mechanical engineering industry output is expected to increase 11 to 13 percent this year and a further 6 to 8 percent next year. The National Economic Development Office's forecast is revised from an earlier estimate for 1973 of a 5 to 7 percent increase as orders since February have increased "rapidly."

Texasgulf Management Opposes Bid

Texasgulf Inc., in a letter to shareholders commenting on the tender offer of Canada Development Corp. (CDC), for up to 10 million Texasgulf shares at \$20 a share, urges that the offer not be accepted.

FINANCIAL NEWS AND NOTES

AMC Plans Innovative Car

American Motors Corp. (AMC) plans an entirely new innovative car for the 1975 model year that it believes will increase its total car sales by hundreds of thousands of units. Such an increase would be a huge one for AMC, whose total car sales this year are expected to total about 280,000. There have been trade rumors in Detroit that AMC is working on a new car smaller than its subcompact Gremlin. But it is not clear whether the rumored small car is the same vehicle being planned for 1975. Such a new 1975 AMC model would be appearing at the same time as General Motors' first rotary engine-powered car which is expected to have a distinct styling even though it may be built on a Vega base. AMC also says it is "very interested" in the Wankel engine being developed by GM but that it is not currently negotiating with GM for purchase of any of the engines. Such talks had taken place, but there are "no continuing negotiations on the subject."

Pennsylvania to Retain Non-Rail Assets

The Penn Central Co.'s bankrupt transportation subsidiary says it has abandoned plans to sell about \$1 billion worth of non-rail assets and has decided instead to retain them and "maximize" their value for development. A trustee for the line says the sale of the assets alone would not make the railroad viable. In addition, the railroad's problems have had a depressing effect on their value.

Gelsenberg to Pay a Dividend

Gelsenberg, the selling West German oil products and chemical firm, expects to earn a profit this year which will allow it to pay a dividend

Company Reports

American Standard	1972	1973
Second Quarter	1973	1972
Revenue (millions)	374.7	334.0
Profits (millions)	11.1	7.9
Per Share	0.60	0.40
First Half		
Revenue (millions)	725.5	658.1
Profits (millions)	19.9	11.7
Per Share	1.07	0.50

TO THE HOLDERS OF

INSILCO OVERSEAS CAPITAL CORPORATION N. Y.

Guaranteed Floating Rate Loan Notes 1980

In accordance with the provisions of the above Notes, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has determined the rate of interest payable with respect to Coupon No. 7 on Thursday, January 31, 1974 to be twelve and five-eighths percent (12 5/8%) per annum.

Morgan Guaranty Trust Company of New York, Fiscal Agent

DATED: August 1, 1973

UNITED DOMINIONS TRUST LTD.

has taken control of

BANQUE COMMERCIALE D'ESCOMPTE S.A.

BRUSSELS

The parties have been assisted in this transaction by

BANQUE DE BRUXELLES S.A.

Survey Sees Possible Slip In British Economic Boom

LONDON, Aug. 2 (AP)—Britain's economic boom may be passing its peak, the Confederation of British Industry (CBI)

said today following a survey of manufacturers.

The survey showed that activity in the manufacturing industry continued to expand very strongly in the March-July period, with the value of new orders and output "extremely buoyant" and plant capacity being utilized at a near-record level.

However, the CBI found that a balance of 44 percent of respondents expect the value of orders to rise in the period to November, down from a balance of 50 percent in the previous survey, taken in April.

Despite this early tentative evidence of a possible slowdown in the current 5 percent annual growth rate, the survey warned that present strong industrial activity is putting a burden on capacity. It showed that only 39 percent of firms are working below a satisfactory full rate of operation. This is the lowest figure since 38 percent in February, 1965.

The CBI commented, however, that industrialists are taking steps to overcome strains on capacity. The survey showed, for example, that a balance of 18 percent of industrialists expect to increase spending on buildings in the next 12 months, compared with 11 percent at the previous survey. A balance of 39 percent expects to raise capital spending for equipment up from 35 percent.

The CBI noted that the survey was made in the July 2-18 period, prior to sterling's recent weakness and the rise in the Bank of England's minimum lending rate to a new high of 11.5 percent. "Some of the replies might have been different had the period of inquiry included these events," it said.

The Dines Letter
16, East 41 St., N.Y., N.Y. 10017
U.S.A.
We will also show you charts on each of the above, and specific advice, bullish or bearish!

ALSO: With the dollar devalued Dines has a major study plotting the buy, sell, and switch in the gold group. Includes a list of what many golds could earn at various gold prices. This report shows the worth of the price of gold. Also: A major report on silver with specific recommendations based on the coming silver shortage. Also a report on platinum and the new auto market, with stocks which can be bought now.

Send no money, just your name, address and \$5 for a 4-page trial. To Dept. B32417, N.Y. residents, please add applicable sales tax. (Payment MUST be enclosed.)

American Stock Exchange Trading

[illegible]

Shuts Out Cubs

Phil's Twitchell Does Unexpected: He Wins

By Deane McGowan

NEW YORK, Aug. 2 (NYT).—Because of his past, hardly anyone connected with the Philadelphia Phillies expected Wayne Twitchell to become the bulwark of the National League club's pitching staff this season.

In two previous campaigns with the Phillies, Twitchell's major league totals stood at six victories and nine defeats. A year ago, appearing in 49 games, the right-hander, 36, won five starts and lost nine others.

But Twitchell, a 6-foot-6-inch 215-pounder, applied himself so industriously this year that he made the league's All-Star squad and worked one inning in the Nationals' 7-1 victory.

Last night in Veterans Stadium, Twitchell posted his second straight shutout to give the Phillies a 2-0 triumph over the Chicago Cubs. He held the Cubs to two hits in gaining his fourth straight victory and the fourth shutout of the campaign. He struck out six and walked five in raising his season won-loss mark to 10-3.

Cards 9, 2, Expos 3, 0. At Montreal, Reggie Cleveland shut out the Expos on five hits in the nightcap as St. Louis swept a doubleheader, winning the second game, 2-0, after taking the opener, 9-3.

Major League Standings

NATIONAL LEAGUE

Eastern Division

	W	L	Pct.	GB
St. Louis	58	46	.557	—
Chicago	50	52	.490	7 1/2
Pittsburgh	50	53	.476	7 1/2
Philadelphia	48	57	.452	9 1/2
New York	47	57	.447	10 1/2

Western Division

	W	L	Pct.	GB
Los Angeles	66	41	.617	—
Cincinnati	63	45	.583	3 1/2
San Francisco	62	47	.568	4 1/2
Boston	56	53	.514	11
Atlanta	49	62	.441	18
San Diego	48	63	.434	19 1/2

Wednesday's Results

St. Louis 9, 2, Montreal 3, 0.	
New York 2, 0, Pittsburgh 6, 2.	
Philadelphia 2, 0, Chicago 1, 0.	
Atlanta 14, Cincinnati 5.	
Houston 5, Los Angeles 0.	
San Diego 4, San Francisco 5.	

Thursday's Games

St. Louis at Montreal, night.	
Pittsburgh at New York, night.	
Chicago at Philadelphia, night.	
Cincinnati at Atlanta, night.	
Los Angeles at Houston, night.	
San Diego at San Francisco, night.	

AMERICAN LEAGUE

Eastern Division

	W	L	Pct.	GB
Baltimore	56	45	.554	—
New York	56	49	.530	3 1/2
Detroit	51	54	.485	8 1/2
Boston	49	59	.450	12 1/2
Milwaukee	48	54	.461	13 1/2
Cleveland	48	54	.461	13 1/2

Western Division

	W	L	Pct.	GB
Oakland	58	47	.551	—
Kansas City	51	49	.505	7 1/2
Minnesota	50	51	.490	9 1/2
California	48	54	.461	13 1/2
Texas	40	64	.388	23 1/2

Wednesday's Results

Baltimore 4, Cleveland 2.	
Boston 3, New York 2.	
Kansas City 4, Chicago 2.	
Philadelphia 6, Milwaukee 5.	
Oakland 6, Minnesota 2.	
California 5, Texas 1.	

Thursday's Games

Minnesota at Oakland, twilight.	
Texas at California, twilight.	
Kansas City at Chicago, night.	
Milwaukee at Philadelphia, night.	
Baltimore at Cleveland, twilight.	
New York at Boston, night.	

Wednesday's Line Scores

AMERICAN LEAGUE

New York 100, Boston 0-2 5 1	
Boston 000, New York 10 1 3	
St. Louis 000, Milwaukee 0 0 0	
Curtis (10-8) and Fisk (4-7).	
Baltimore 002, Detroit 106-4 7 0	
Cleveland 001, Detroit 000-2 8 1	

National League

St. Louis 000, Montreal 000-2 5 0	
Chicago 000, Pittsburgh 000-2 8 1	
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CATCHER PITCHES—In top photo, the Yankees' Thurman Munson bowls over Red Sox catcher Carlton Fisk, who holds on to the ball for the out on ninth-inning squeeze play. In bottom photo, the players come up fighting. Fisk is ready to throw right and Munson is being held back by No. 8, Boston's Carl Yastrzemski, while others help break up action. Red Sox won game, 3-2, in 9th inning.

ABA Nets Settle Arguments In \$4-Million Erving Deal

By Sam Goldaper

CARLE PLACE, N.Y., Aug. 2 (NYT).—In a \$4-million transaction, probably the biggest and most complicated involving one player, the ABA New York Nets signed Julius Erving for eight years yesterday and ended his legal entanglement with the Virginia Squires of the American Basketball Association and the Atlanta Hawks of the National Basketball Association.

The acquisition of the man called pro basketball's most exciting player was achieved in a straight \$750,000 cash deal with the Squires, with whom Erving had played the last two seasons. In a related action, the Nets sent George Carter, their leading scorer last season, to the Squires in return for Willie Goujourner, a 6-foot-8-inch forward.

The Squires also received the draft rights to Kermit Washington of American University, the nation's leading rebounder the last two seasons. He was the Nets' fourth-round draft choice.

The transaction, two weeks in negotiation, also included a \$425,000 payment to the Hawks, with whom Erving had signed a \$1-million-plus contract in May, 1972, when he tried to jump from Virginia. Part of that agreement with the Hawks was a \$330,000 bonus Erving had received from Atlanta, for which the Nets reimbursed the Hawks. The remainder represented reimbursement of legal fees and court costs the

The Scoreboard

BOXING—At Palma de Mallorca, Spain, former world featherweight champion Jose Lora of Spain won a decision over Gennadiy Golovkin in a 10-round fight. The decision was based on many of the 10,000 fans at the Palma bullring. The Sovietan Gennadiy Lora with a powerful right jab to the face in the third round.

It was Lora's first fight since he lost the title to Brazilian Edir Jorge in Brazil in May.

U.S. Runners Hit by Loss Of 2 Blacks

Racial Troubles Reportedly Reason

DAKAR, Senegal, Aug. 2 (AP).—Two black sprinters have left the U.S. track and field team that meets Africa this weekend after allegedly accusing American officials of giving preferential treatment to their white teammates.

Marshall Dill of Michigan State University, who had been on the U.S. squad's relay team, and Herb Washington, a graduate of Michigan State and an outstanding performer in the 100 meters, have returned to the United States from Dakar after refusing to run.

Jim Bush, the U.S. head coach, said: "They asked to go home and we got them out of here as fast as we could. I will recommend to the AAU (Amateur Athletic Union) that they be disciplined. I don't expect to see either of them running for the United States again."

The loss of Washington and Dill is an important one for the U.S. team because it is counting on as many points as possible in the sprints to balance Africa's expected domination of the middle distance and distance events.

According to teammates, Dill asked to be released from the team so he could make up some outstanding school work and Washington said he wanted to return home to start a job. The reply of AAU officials was the team was that they had signed an agreement to participate in the entire tour of Europe and Africa and that they had been expected to honor it.

Richard McArthur, the team press spokesman, said: "It was at this point that they said, 'You're favoring the white kids over the black kids.' We asked for an explanation and they said some of the white guys had gotten different travel arrangements and that some had been able to drop off the team. The reply was that they had an opportunity to make restrictions on their participation before they left the States. But they agreed to come for the entire tour and we felt they should have stuck to their agreement."

McArthur also asserted that Dill tried to "intimidate a white runner, Mike Lutz of Rochester, Minn., when he was named to replace him on the relay team against the Soviet Union in Minsk."

"Dill, who had said he didn't want to run, all of a sudden decided he wanted to and tried to bully Lutz into giving him his place back," McArthur said.

Lutz was not talking about the incident but Bush said, "There was some very unprofessional behavior that made me sick."

Mal Whitfield, the former Olympic champion who now works as a cultural officer for the U.S. government in Africa, said he thought the official case against the sprinters was open and shut.

"They got to start disciplining these people," he said. "They've got to act like gentlemen, to live up to their agreements."

Riva Ridge Loses To a 56-1 Shot

SARATOGA SPRINGS, N.Y., Aug. 2 (NYT).—Saratoga's reputation as a "graveyard of champions" received new justification yesterday when Riva Ridge was defeated by a 56-to-1 shot.

The outsider, Wichita Oil, stunned a crowd of 12,215 at the upstate track by coming home 1 1/4 lengths ahead of Riva Ridge in the 1 1/8-mile race on the turf.

The 6-year-old Meadow Stable colt who won last year's Kentucky Derby and Belmont Stakes, had been backed down to 1-3 favoritism.

Riva Ridge, running on grass for the first time since his defeat in last year's Washington, D.C., International, took the lead halfway through yesterday's event. But he faltered, finishing strongly, behind second place by only neck over Gleaming. Whole Truth finished fourth in the seven-horse field.

Major League Leaders

NATIONAL LEAGUE

	W	L	Pct.	GB
St. Louis	58	46	.557	—
Chicago	50	52	.490	7 1/2
Pittsburgh	50	53	.476	7 1/2
Philadelphia	48	57	.452	9 1/2
New York	47	57	.447	10 1/2

AMERICAN LEAGUE

	W	L	Pct.	GB
Baltimore	56	45	.554	—
New York	56	49	.530	3 1/2
Detroit	51	54	.485	8 1/2
Boston	49	59	.450	12 1/2
Milwaukee	48	54	.461	13 1/2
Cleveland	48	54	.461	13 1/2

NATIONAL LEAGUE

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NATIONAL LEAGUE

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AMERICAN LEAGUE

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All Fight U.S. Aid

Adversity Breeds Strange Gatherings

By Red Smith

NEW YORK, Aug. 2 (NYT).—Scholars versed in the folklore of the common American play-ground director (homo infantum) have been fascinated by the reaction of the Amateur Athletic Union, the National Collegiate Athletic Association, the United States Olympic Committee and the National Rifle Association to a bill called the Amateur Athletic Act of 1973 that has been introduced by Sen. John V. Tunney of California. Frightened lest they lose their right to measure the crossbar in the pole vault, the AAU, NCAA, USOC and NRA are all lobbying against the bill.

Philip O. Kruman of Kansas, Wis., president of the Olympic Committee, calls "the most dangerous legislation ever put forward for passage in the history of our country." We have it on the word of Charles Dudley Warner that politics makes strange bedfellows and Mr. W. Shakespeare has advised us that misery can surely neither authority could have foreseen such a motley crew as this sharing a single tip.

The bill has been approved by the Senate Commerce Committee and is expected to come up for a vote in the first week of September when Congress returns from its August recess. The bill intends: (1) to create a five-member board to be appointed by the President that would charter groups to administer individual sports in international competition; (2) to review the past performance charts of our Olympic brass; (3) to set up a national foundation with as much as \$50 million a year for sports development.

The Lion and the Lamb

"The Amateur Athletic Act of 1973," says Philip Kruman, "is the most dramatic assault on the freedom and civil rights of the American people." Mr. Kruman, whose special field is speed skating, was elevated rather recently to the USOC presidential chair. The rarefied air at that height tends to make a newcomer's head swim.

The Tunney bill is an amalgam of legislation proposed earlier by Marlow Cook of Kentucky, James Pearson of Kansas, and the late Senator James Eastland of Mississippi. It has the support of these Senators and others exasperated by the interminable power struggle between the AAU and NCAA, disgusted by the bungling of the Olympic leadership, and angered by the mutter-headed pertinacity of a bureaucracy that threatens a champion

driver like Micki King with suspension for joining a State Department tour of China.

